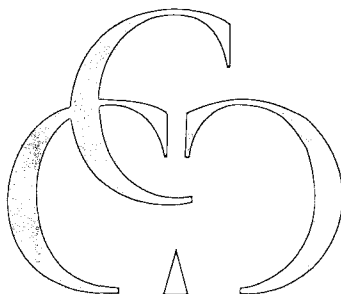
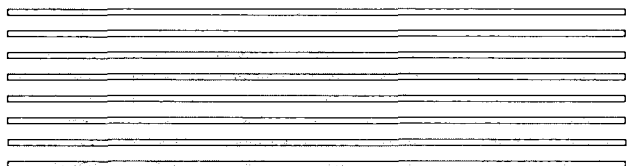




15th
ANNUAL REPORT
2008-2009



METAL COATINGS (INDIA) LIMITED



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of Metal Coatings (India) Limited will be held at Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi - 110017 on Thursday the 24th day of September, 2009 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, 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. K. L. Gupta who retires by rotation and who, being eligible, offers himself 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 Accountants, 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. R. C. Khandelwal as Chairman and Wholetime Director of the Company for a period of 5 years with effect from 12th May, 2009 at a remuneration of Rs. 15 lacs per annum by way of salary, perquisites, allowances etc."
6. 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 appointment of Mr. Pramod Khandelwal as Managing Director of the Company for a period of 5 years with effect from 12th May, 2009 at a remuneration of Rs. 30 lacs per annum by way of salary, perquisites, allowances etc."

By Order of the Board

Date : 30.06.2009
Place : New Delhi

(PRAMOD KHANDELWAL)
Managing 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 22nd day of September, 2009 to Thursday the 24th day of September, 2009 (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) READ WITH SCHEDULE XIII OF THE COMPANIES ACT, 1956

Item No. 5

Mr. R. C. Khandelwal was appointed at the 10th Annual General Meeting as a Chairman and Wholetime Director of the Company for a term of 5 years w.e.f. 12.05.2004. The remuneration being paid to him currently is Rs. 15 lacs per annum by way of salary, allowances and perquisites etc. Now this 5 years term expires on 12.05.2009.

Your Directors consider that the services of Mr. R. C. Khandelwal are of great value to the Company. Hence the resolution is recommended by the Board to reappoint Mr. R. C. Khandelwal as a Chairman and Whole Time Director of the Company for another term of 5 years with effect from 12.05.2009 at a remuneration of Rs. 15 lacs per annum by way of salary, allowances and perquisites etc.

None of the Directors are interested in the proposed resolution.

Item No. 6

Mr. Pramod Khandelwal was appointed at the 10th Annual General Meeting as a Managing Director of the Company for a term of 5 years w.e.f. 12.05.2004. The remuneration being paid to him currently is Rs. 30 lacs per annum by way of salary, allowances and perquisites etc. Now this 5 years term expires on 12.05.2009.

Your Directors consider that the services of Mr. Pramod Khandelwal are of great value to the Company. Hence the resolution is recommended by the Board to reappoint Mr. R. C. Khandelwal as a Managing Director of the Company for another term of 5 years with effect from 12.05.2009 at a remuneration of Rs. 30 lacs per annum by way of salary, allowances and perquisites etc.

Mr. A. P. Khandelwal deemed to be interested in the proposed resolution.

By Order of the Board

Date : 30.06.2009
Place : New Delhi

(PRAMOD KHANDELWAL)
Managing Director



CORPORATE INFORMATION

DIRECTORS

R. C. Khandelwal Chairman
Pramod Khandelwal Managing Director
A. P. Khandelwal
Virendra Hajela
K. L. Gupta
D. P. Khandelwal

AUDITORS

Anil Khandelwal & Associates
Chartered Accountants

BANKERS

Canara Bank
36-37, Community Centre,
East of Kailash, New Delhi

REGISTERED OFFICE

A-178/12A, Ground Floor, Dayanand Colony,
Lajpat Nagar-IV, New Delhi - 110024.

WORKS

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

15TH ANNUAL GENERAL MEETING

Day : Thursday
Date : 24th September, 2009
Time : 10.30 A.M.
Venue : Arya Samaj Bhawan
Maharishi Dayanand Marg,
Malviya Nagar,
New Delhi - 110 017

CONTENTS

Directors' Report	3-4
Management Discussion & Analysis	5
Report on Corporate Governance	6-10
Auditors' Report	11-13
Balance Sheet	14
Profit & Loss Account	15
Schedules	16-22
Cash Flow Statement	23
Balance Sheet Abstract	24

**DIRECTORS' REPORT**

TO THE MEMBERS,

The Directors of your Company have pleasure in presenting their FIFTEENTH ANNUAL REPORT together with the Audited Statements of Account for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS*(Rs. in lacs)*

	2008-09	2007-08
Total Income	9913	11558
Operating Profit	335	420
Profit before Tax	58	158
Provision for Taxation	19	54
Profit after Tax	39	104

PERFORMANCE REVIEW

The Company achieved a turnover of Rs. 9837.91 lacs as against Rs. 11527.56 lacs in the previous year. Profit before tax is lower at Rs. 58.12 lacs as against Rs. 158.34 lacs in the previous year. World economy was severely impacted by the US financial crisis, with its contagion effect across countries and the impact in Indian markets came in the form of a precipitous drop in demand across industrial sectors. The situation was further worsened due to high level of volatility in commodity prices. Inventories got devalued, triggered by plummeting raw material prices. This, combined with an increase in interest cost had a major adverse impact on the sales revenue as well as the bottom-line of the Company. However, the Company managed to partially offset the impact of this by undertaking cost control measures. Your Company's performance for the period 2008-09 has to be seen in the context of above economic scenario. In view of the lower profits 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 any dividend for the year 2008-09.

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. K. L. Gupta 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 in 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 Stock Exchange, Mumbai. The Company has paid the annual listing fee to the Stock Exchange.

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, 2009 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, 2009 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, Chartered Accountants, 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 Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made as part of Annual Report.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation to 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 : 30.06.2009

Place : New Delhi

(PRAMOD KHANDELWAL)

Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Company is engaged in the manufacture and sale of Cold Rolled Steel Strips, H.R. Pickled Oiled Coils/Strips, C.R. Flat Wire Strips, Galvanised Wire and Galvanised Strips. These products are used by a wide range of user industries such as Auto Components, Power Transmission Equipment, White Goods, Defence Equipment, Electrical Equipment etc.

OPPORTUNITIES AND OUTLOOK

The product of the Company are used predominantly in the Auto Components, white goods and in Power Transmission (Cables) industries. The power sector is at present the most underdeveloped infrastructure sector with India facing a substantial power deficit situation. While other infrastructural sector such as roads, telecommunication, housing, airports have made significant progress consequent to huge investments, the power segment still lags behind. A conservative estimate pegs India's investment needs in power generation transmission and distribution at close to US\$ 900 billion over the next 10 years. Our power starved country therefore is likely to see a huge surge in investments in power generation and distribution, thereby consequently translating into a huge demand for power cables which in turn will lead to a growth in the demand for Galvanised Steel Wire & Strips. Besides Power Cables, the company caters to the automotive components and the white goods sectors, both of which have a promising growth potential. The rural penetration of white goods continues to be extremely low in India inspite of a surge in the purchasing power in the rural economy. As power availability improves, the demand for white goods in the rural economy shall drive the demand for the same in the country thereby leading to a demand for the products of the Company.

RISKS, THREATS AND CONCERNS

H. R. Coils, Wire Rods and Zinc constitute the major raw materials of the Company. The prices and availability are continue to be a cause of concern. Price and availability of materials have been very volatile most of last year. However, your company is well equipped with a combination of long term tie-ups and spot buying arrangements.

With the global economy still not firmly out of the recessionary cycle, the management has taken adequate risk management measures such as limiting industry wise and customer wise exposures to insulate itself against any adverse situation arising in the future.

FINANCIAL PERFORMANCE

(Rs. In lacs)

	<i>2008-09</i>	<i>2007-08</i>
Sales	9838	11528
Other Income	75	31
Profit before Interest & Tax	270	364
Interest	212	206
Profit before Tax	58	158
Tax	19	54
Profit after Tax	39	104

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control system and is well commensurate with the nature of its business and the size and complexity of its operations. Audit committee reviews the adequacy and effectiveness of the company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the company's risk management policies and systems.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to management Discussion and analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09**

(as required under Clause 49 of the Listing Agreements entered into with the stock exchanges)

1. Company's Philosophy on Corporate Governance

Good corporate governance helps to achieve excellence to further enhance stakeholders value by focusing on long-term stakeholder value creation without compromising on integrity and regulatory compliances. Hence it has always been an integral part of your Company's philosophy and not merely arising out of compliance dictated by statutory requirements. It has been the endeavour of the Company's management to accord highest importance to ensuring fairness, transparency, accountability and responsibility to shareholders besides voluntarily implementing practices that would give optimum information to shareholders.

2. Board of Directors

The Company has an executive Chairman, a Managing Director and a Whole time Director. The number of independent Directors and Non-Executive Directors (NED) is 50% of the total number of Directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies :

Name	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship #	Committee Membership @
EXECUTIVE DIRECTORS					
1. R. C. Khandelwal	Chairman	4	Yes	1	1
2. Pramod Khandelwal	Managing Director	5	Yes	1	1
3. A. P. Khandelwal	Whole Time Director	5	Yes	—	1
INDEPENDENT NON EXECUTIVE DIRECTORS					
4. V. K. Hajela	Director	4	Yes	1	1
5. D. P. Khandelwal	Director	5	Yes	—	1
6. K. L. Gupta	Director	4	No	—	1

: Does not include directorships in companies excluded as per Section 278 of the Companies Act, 1956

@ : In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, Membership / Chairmanship of only the Audit Committee, Shareholders' / Investors' Grievances Committee and the Remuneration Committee of all the Public Limited Companies has been considered

Number of Board Meeting held and the dates on which held

5 Board Meetings were held during the year. The dates on which the meetings held were as follows : 30th June, 2008, 28th July, 2008, 08th September, 2008, 23rd October, 2008 and 28th January, 2009. The Company has held at least one meeting in every three months and the maximum time gap between any two meetings was not more than four months.

Brief Resume of the Director being reappointed, nature of his expertise in specific functional areas and names of companies in which he holds directorship and the membership of the committees of the Board are furnished hereunder:

Mr. K. L. Gupta, is B.E.(Metallurgical) and has 38 years experience in Metallurgical Industry. He does not hold any directorship in other Company.

Mr. D. P. Khandelwal has more than 57 years experience in textile and garments in Jaipur, Rajasthan. He does not hold any directorship in other Companies.

**3. Details of Remuneration****(a) Whole-Time Directors**

S. No.	Name	Salary (Rs. in Lacs)
1.	A. P. Khandelwal	15.00
2.	R. C. Khandelwal	15.00
3.	Pramod Khandelwal	22.50

The remuneration is fixed in nature and there is no performance linked incentives and there is no stock option. The notice period is three months and there is no severance fee.

(b) Non Executive Directors

The Company has not paid any remuneration to Non Executive Directors except the sitting fee.

(c) Sitting Fees paid to Non Whole-Time Directors (April 2008 to March 2009)

S. No.	Name	Sitting Fees (Rupees)	
		Board Meeting	Committee Meeting
1.	V. K. Hajela	8,000	6,000
2.	D. P. Khandelwal	10,000	6,000
3.	K. L. Gupta	8,000	6,000

4. Board Committees**(a) Audit Committee**

Terms of reference : Apart from all the matters provided in clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956, the Committee reviews working of the Internal Audit Department, approves internal audit programme and discusses with statutory auditors, their observation, suggestion and findings, internal control system, scope of audit, other related matters and major accounting policies followed by the Company. The minutes of the Audit Committee meetings are confirmed by the Board of Directors.

Composition:

S. No.	Name	Designation	No. of Meetings Attended
1.	V. K. Hajela	Chairman (Independent)	3
2.	D. P. Khandelwal	Member (Independent)	3
3.	K. L. Gupta	Member (Independent)	3

The Company has constituted an Audit Committee on 31.01.2003 of the Board comprising of 3 Directors. All are independent Directors. The Committee held three meetings during the period on 30.06.2008, 23.10.2008 and 28.01.2009.

(b) Shareholders Committee

The Board has constituted a Share Transfer & Shareholders / Investors Grievances Committee to approve the Share Transfer, Transmission, Transposition of name, Issue of Split / Duplicate Certificates and to review the status report on redressal of Shareholder and Investor Complaints received by the Company / Share Transfer Agents.

Composition:

S. No.	Name	Category
1.	A. P. Khandelwal	Chairman
2.	R. C. Khandelwal	Member
3.	Pramod Khandelwal	Member

**(c) Remuneration Committee**

The remuneration of Whole-time-Directors were approved in Annual General Meeting by the shareholders. Hence a Remuneration Committee has not been constituted.

Name & Designation of Compliance Officer : **R. A. Sharma, Dy. General Manager (Finance)**

During the year ended on 31st March, 2009, 4 letters/complaints received from the shareholders, were duly replied/resolved. During the year ended on 31st March, 2009, 5 transfer deeds involving 5,500 equity shares were received and duly approved by the Committee and accordingly transferred.

5. General Body Meeting

Year, date, time and venue of the last 3 AGMs are as under:

Year	Date	Time	Venue
2005-06	29.09.2006	3.00PM	Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi-17
2006-07	28.09.2007	3.00PM	Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi-17
2007-08	26.09.2008	3.00PM	Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi-17

There was no Extra Ordinary General Meeting held during the last three years.

No special resolutions or ordinary resolutions were required to be put through postal ballot at the previous AGM held on 26.09.2008 last year.

No special resolution on matters requiring postal ballot are placed for shareholders' approval at the 15th AGM.

6. Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors, or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large : **NIL**

Details of Non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years : **NIL**

7. Means of Communications

Quarterly results are published through news papers namely Financial Express and Jansatta. These results are not sent individually to shareholders. Management Discussion & Analysis Report forms part of the Annual Report.

8. General Shareholders Information**Annual General Meeting**

Annual General Meeting is proposed to be held on 24th September, 2009 at 10.30 A.M. at Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi – 110017.

Financial Calendar (tentative)

Results for the quarter ending June 30, 2009	Last week of July, 2009
Results for the quarter ending September 30, 2009	Last week of October, 2009
Results for the quarter ending December 31, 2009	Last week of January, 2010
Results for the quarter ending March 31, 2010	Last week of April, 2010
Annual General Meeting	September, 2010

Date of book closure

The Register of Members and the Share Transfer Books of the Company will remain closed from the 22nd September, 2009 to 24th September, 2009 (both days inclusive).

Dividend

No dividend has been proposed.

**Listing on Stock Exchange**

The equity shares of the Company are listed at - The Stock Exchange Mumbai, (BSE) and the Stock Code is 531810.

Market Information;

Market Price Data [High / Low during each month in last Financial year]

(In Rupees)

Month / year 2008-2009	BSE	
	High	Low
April – 2008	21.00	16.20
May – 2008	17.60	15.00
June – 2008	17.10	14.60
July – 2008	17.00	15.50
August – 2008	19.10	15.00
September – 2008	18.50	15.25
October – 2008	14.50	11.10
November – 2008	12.10	9.05
December – 2008	9.04	7.99
January – 2009	7.62	7.24
February – 2009	7.22	4.88
March – 2009	5.12	5.00

Registrar & Share Transfer Agent : M/s Intime Spectrum Registry Limited,
A-40, IInd Floor, Naraina Industrial Area,
Phase – II, New Delhi - 110028
Phone No. 011-25896893, 41410592-95
Fax No. : 011-41410591

Share Transfer System:

The Board has constituted a Share Transfer Committee to approve inter alia transfer of shares etc. in physical form and to ratify the confirmation made to demat request received by the Company. The entire process including despatch of share certificates to the shareholders are completed within the time stipulated as per the Listing Agreement.

(a) Distribution of Shareholding as on 31st March, 2009

Number of Equity Shares Held	No. of Shareholders	Percentage of total Share-holders	No. of Shares held	Percentage of total shares
1 to 500	628	68.12	95364	1.94
501 to 1000	129	13.99	113116	2.31
1001 to 2000	53	5.75	88081	1.80
2001 to 3000	36	3.90	91776	1.87
3001 to 4000	11	1.19	41272	0.84
4001 to 5000	12	1.30	57562	1.17
5001 to 10000	21	2.28	156378	3.19
10001 & above	32	3.47	4260451	86.88
TOTAL	922	100.00	4904000	100.00

(b) Categories of Shareholders as on 31st March, 2009

Category	No. of Equity Shares	% to paid-up Capital
Corporate Bodies	2289371	46.68
General Public	2316044	47.23
Non Resident Individuals	298585	6.09
TOTAL	4904000	100.00



Dematerialisation of Shares	:	16.44% Equity Shares (8,06,110 Equity Shares) have been dematerialised upto 31st March, 2009
Liquidity	:	The Company's Shares are traded on The Stock Exchange, Mumbai .
Plant Location	:	1. Sector – 45, Meola Maharajpur, Faridabad 2. Plot No. 113, Sector – 59, HSIDC Indl. Estate , Faridabad
Address for Correspondence	:	Regd. Office : A-178/12A, Dayanand Colony, Lajpat Nagar - IV, New Delhi – 110024.

CERTIFICATE

TO THE MEMBERS OF METAL COATINGS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Metal Coatings (India) Limited, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that as on 31st March, 2009 there were no investor grievances remaining unattended for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which management has conducted the affairs of the Company.

For **ANIL KHANDELWAL & ASSOCIATES**
Chartered Accountants

Date : 30.06.2009
Place : New Delhi

(ANIL KHANDELWAL)
Partner
Membership No. : 87372

**AUDITORS' REPORT****TO THE MEMBERS OF METAL COATINGS (INDIA) LIMITED**

We have audited the attached Balance Sheet of METAL COATINGS (INDIA) LIMITED, as at 31st March, 2009, and also the Profit & Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) order, 2004 (together "the order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "the Companies Act, 1956" of India (the "act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 purposes 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 those books;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March, 2009, and taken on records by the Board of Directors, none of the Directors of the Company are disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **ANIL KHANDELWAL & ASSOCIATES**
Chartered Accountants

Date : 30.06.2009
Place : New Delhi

(ANIL KHANDELWAL)
Partner
Membership No. : 87372

**ANNEXURE TO AUDITORS' REPORT****Referred to in Paragraph (2) of our report of even date**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - a. The Company has taken loans from directors aggregating to Rs. 69.50 lacs during the year.
 - b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c. In respect of loans taken by the Company, the interest payments, wherever applicable are regular and the principal amount is repayable on demand.
 - d. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956 ;
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to rupees five lacs only or more in respect of any party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.



8. To the best of our knowledge and according to information given to us, the Company has maintained the cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income –Tax , Sales Tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in the payment of dues to financial institutions and Bank.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of the securities by way of pledge of shares, debentures and other securities.
13. The provision of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. The company has not given any guarantees for loan taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year and there is no term loans outstanding at the beginning of the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised any amount from short term sources towards repayment of long-term borrowings and acquisition of fixed assets.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **ANIL KHANDELWAL & ASSOCIATES**
Chartered Accountants

Date : 30.06.2009
Place : New Delhi

(ANIL KHANDELWAL)
Partner
Membership No. : 87372

**BALANCE SHEET AS AT 31ST MARCH, 2009***(Rs. in Lacs)*

Particulars	Schedule No.	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
(a) Share Capital	1	490.40	490.40
(b) Reserves & Surplus	2	646.30	611.09
		<u>1136.70</u>	<u>1101.49</u>
Loan Funds			
(a) Secured Loans	3	1332.46	1960.10
(b) Unsecured Loans		86.80	163.30
		<u>1419.26</u>	<u>2123.40</u>
Deferred Tax Liability (Net)		69.29	67.13
TOTAL		<u>2625.25</u>	<u>3292.02</u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		1505.46	1522.73
Less : Depreciation		800.86	781.34
Net Block		704.60	741.39
Capital WIP		—	16.99
		<u>704.60</u>	<u>758.38</u>
Current Assets, Loans and Advances			
(a) Inventories	5	492.09	980.39
(b) Sundry Debtors	6	1193.77	1447.80
(c) Cash & Bank Balances	7	75.54	58.13
(d) Loans and Advances	8	249.21	227.31
		<u>2010.61</u>	<u>2713.63</u>
Less : Current Liabilities & Provisions	9		
(a) Liabilities		67.12	141.75
(b) Provisions		22.84	38.24
		<u>89.96</u>	<u>179.99</u>
Net Current Assets		1920.65	2533.64
TOTAL		<u>2625.25</u>	<u>3292.02</u>
Notes to accounts & Significant Accounting Policies	12		

In terms of our annexed report of even date.

For **ANIL KHANDELWAL & ASSOCIATES**

Chartered Accountants

(ANIL KHANDELWAL)

Partner

Membership No. 87372

Date : 30.06.2009

Place : New Delhi

For and on behalf of the Board

(R. C. KHANDELWAL)

Chairman

(PRAMOD KHANDELWAL)

Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009***(Rs. in Lacs)*

Particulars	Schedule No.	For the Year ended 31.03.2009	For the Year ended 31.03.2008
<u>INCOME</u>			
Sales		9837.91	11527.56
Processing Income		39.70	14.74
Interest/Other Income		34.96	15.93
Increase/(Decrease in stock)		(488.30)	384.92
		<u>9424.27</u>	<u>11943.15</u>
<u>EXPENDITURE</u>			
Purchases		8019.12	10299.15
Power & Fuel		367.01	437.31
Job Work Charges		51.99	48.52
Consumable Stores		129.61	154.48
Repair to Plant & Machinery		79.06	81.13
Excise Duty		187.70	200.30
Employee Rem. & Benefits	10	148.94	143.77
Administrative and Other Expenses	11	106.02	158.16
Interest		211.96	205.79
Depreciation		64.74	56.20
		<u>9366.15</u>	<u>11784.81</u>
Profit before tax		58.12	158.34
Provision for tax			
— Current Tax		15.80	53.17
— Deferred Tax		2.16	(0.57)
— Fringe Benefit Tax		1.38	1.81
Profit after tax		38.78	103.93
Balance brought forward from previous year		578.79	532.89
Amount available for appropriation		617.57	636.82
<u>APPROPRIATION</u>			
Proposed Dividend		—	49.04
Dividend Tax		—	8.33
Prior Period Expenses		3.57	0.66
Balance Carried forward		<u>614.00</u>	<u>578.79</u>
Earning per Share (Rs.)		0.79	2.12

Notes to accounts & Significant Accounting Policies

12

In terms of our annexed report of even date.

For **ANIL KHANDELWAL & ASSOCIATES**

Chartered Accountants

For and on behalf of the Board

(ANIL KHANDELWAL)

Partner

Membership No. 87372

(R. C. KHANDELWAL)

Chairman

(PRAMOD KHANDELWAL)

Managing Director

Date : 30.06.2009

Place : New Delhi

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT***(Rs. in Lacs)*

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
60,00,000 Equity Shares of Rs. 10/- each	600.00	600.00
	<u>600.00</u>	<u>600.00</u>
Issued & Subscribed		
50,26,800 Equity Shares of Rs. 10/- each	502.68	502.68
	<u>502.68</u>	<u>502.68</u>
Paid up		
49,04,000 Equity Shares of Rs. 10/- each fully called up (of the above shares 7,67,408 shares are allotted as fully paid up for consideration other than cash)	490.40	490.40
	<u>490.40</u>	<u>490.40</u>

SCHEDULE - 2 : RESERVES & SURPLUS

	As at 31.03.2008	Additions	As at 31.03.2009
Profit & Loss Account	578.79	35.21	614.00
General Reserve	26.16	—	26.16
Forfeited Shares Account	6.14	—	6.14
TOTAL	<u>611.09</u>	<u>35.21</u>	<u>646.30</u>

	As at 31.03.2009	As at 31.03.2008
--	---------------------	---------------------

SCHEDULE - 3 : SECURED LOANS**From Banks**

(Secured against hypothecation of book debts,
inventories & Motor Vehicles and by way of mortgage of
land, buildings and Plant & Machinery)

	1332.46	1960.10
	<u>1332.46</u>	<u>1960.10</u>

**SCHEDULE - 4 : FIXED ASSETS***(Rs. in Lacs)*

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2008	Additions	Sold/ Discarded	Total as on 31.03.2009	As on 01.04.2008	For the Year ended 31.03.2009	Dep. on discarded assets	Total as on 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	81.87	—	—	81.87	—	—	—	—	81.87	81.87
Buildings	374.28	—	—	374.28	57.60	12.50	—	70.10	304.18	316.68
Plant & Machinery	985.32	27.07	43.58	968.81	689.79	45.10	43.59	691.30	277.51	295.53
Motor Vehicles	70.26	—	0.29	69.97	28.11	6.17	0.22	34.06	35.91	42.15
Furniture, Fixtures & Office Equipment	7.51	0.38	—	7.89	3.72	0.45	—	4.17	3.72	3.79
Computers	3.36	0.56	1.28	2.64	1.99	0.52	1.28	1.23	1.41	1.37
Temporary Shed	0.13	—	0.13	—	0.13	—	0.13	—	—	—
Total	1522.73	28.01	45.28	1505.46	781.34	64.74	45.22	800.86	704.60	741.39
Capital W.I.P.	16.99	—	16.99	—	—	—	—	—	—	16.99
Previous year	1343.89	189.38	10.54	1522.73	735.29	56.20	10.15	781.34	741.39	608.60

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
--	---------------------	---------------------

SCHEDULE - 5 : INVENTORIES

(as certified by the management)

Raw Materials	233.23	571.36
Stores & Spares	10.14	13.70
Stock in Process	207.18	336.95
Scrap Material	5.20	9.52
Finished Goods	36.34	48.86
	<u>492.09</u>	<u>980.39</u>

SCHEDULE - 6 : SUNDRY DEBTORS

(Unsecured, Considered Good)

Outstanding for period exceeding Six Months	98.36	291.73
Others	1095.41	1156.07
	<u>1193.77</u>	<u>1447.80</u>

SCHEDULE - 7 : CASH AND BANK BALANCES

Cash in hand	3.46	2.97
Bank balance with Scheduled Banks	4.76	2.84
Fixed deposits with Scheduled Banks	67.32	52.32
	<u>75.54</u>	<u>58.13</u>

SCHEDULE - 8 : LOANS AND ADVANCES

(Unsecured, considered good, recoverable in cash or in kind or for value to be received/adjusted)

Balance with Central Excise	85.00	36.75
Advance Tax (Net of Provisions)	33.29	—
Other Advances	130.92	190.56
	<u>249.21</u>	<u>227.31</u>

*(Rs. in Lacs)*

	As at 31.03.2009	As at 31.03.2008
<u>SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS</u>		
(a) Current Liabilities		
Sundry Creditors - Trade	2.02	11.87
- Others	26.68	16.07
T.D.S. Payable	2.60	1.86
Other Liabilities	35.82	111.95
	<u>67.12</u>	<u>141.75</u>
(b) Provisions	22.84	38.24
	<u>89.96</u>	<u>179.99</u>
	For the year ended 31.03.2009	For the year ended 31.03.2008

SCHEDULE - 10: EMPLOYEES REMUNERATION AND BENEFITS

Salary, Wages and Bonus	83.64	86.62
Provident Fund & ESI	12.36	11.63
Directors' Remuneration	52.94	45.52
	<u>148.94</u>	<u>143.77</u>

SCHEDULE - 11: ADMINISTRATIVE AND OTHER EXPENSES

Distribution Expenses	27.39	30.79
Staff & Labour Welfare	4.45	5.95
Postage & Telephones	5.46	5.78
Bank & Financial Charges	22.13	11.97
Auditors Remuneration	1.60	1.50
Cash Discount	0.33	7.05
Travelling Expenses	1.32	1.02
Conveyance & Vehicle Maintenance	6.26	9.08
Printing & Stationery	1.68	2.07
Miscellaneous Expenses	35.40	82.95
	<u>106.02</u>	<u>158.16</u>

**SCHEDULE - 12 : NOTES TO THE ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES****A. SIGNIFICANT ACCOUNTING POLICIES**

- 1) The accounts have been prepared under the going concern and historic cost convention, unless otherwise stated.
- 2) The sales and raw material purchases are inclusive of excise duty.
- 3) Fixed Assets :
 - i) Fixed Assets are stated at cost to the company less depreciation.
 - ii) Depreciation is provided under straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- 4) Valuation of Inventories :
 - i) Raw Materials, Work-in-process and Stores are valued at cost.
 - ii) Finished goods are valued at lower of cost and net realisable value.
 - iii) Scrap is valued at estimated net realisable value.

B. NOTES TO ACCOUNTS**1. Contingent Liabilities**

The HSIDC has increased the price of land by Rs. 20.76 lacs and demanded the enhanced price. This demand is being disputed and the matter is pending with Hon'ble High Court for the state of Punjab & Haryana. The Company has however, paid Rs. 5.25 lacs.

2. Managerial Remuneration*(Rs. in Lacs)*

	<i>2008-09</i>	<i>2007-08</i>
Salary	52.50	40.00
Commission	—	5.10
Sitting fees to Directors	0.44	0.42
	<u>52.94</u>	<u>45.52</u>
Computation of Managerial Commission		
Profit before Tax	—	158.34
Add : Managerial Remuneration charged to Accounts	—	45.52
	<u>—</u>	<u>203.86</u>
Commission	—	5.10

3. Particulars of licensed capacity, installed capacity and Production:

	<i>2008-09</i>	<i>2007-08</i>
Licensed Capacity	N. A.	N. A.
Installed Capacity		
— C.R.Strips (TPA)	17000	17000
— C. R. / M. S. Flat Wire (TPA)	500	500
— G.I. Wire (TPA)	3500	3500
Production #		
— C.R.Strips (MT)	11832	15270
— H.R. Pickled Oiled (MT)	3454	5870
— G.I. Wire / Strips (MT)	2739	3656

Production figures are net of returns.

**4. Materials**

Raw materials are purchased indigenously and not imported.
Particulars of Raw Material consumed are as under:

PARTICULARS	2008-09		2007-08	
	Qty. (MT)	Value (Rs.in Lacs)	Qty. (MT)	Value (Rs.in Lacs)
a) H.R.Coils*	17176	6774	24801	8232
b) C.R.Strips	146	62	314	113
c) Zinc	172	183	239	391
d) Wire Rods	2862	1338	3781	1328

* Figures include re-sales without issue to production.

5. Particulars of opening and closing stock of finished goods**a) Opening Stock**

C. R. Strips	89	35	118	39
H R Pickled Oiled	31	11	—	—
G. I. Wire	4	2	—	—

b) Closing Stock

C. R. Strips	83	28	89	35
H R Pickled Oiled	19	5	31	11
G. I. Wire	7	3	4	2

6. Particulars of Sales

C.R.Strips	11838	5725	15299	6273
H. R. Pickled Oiled	3466	1824	5839	2863
G. I. Wire/Strips	2736	1757	3652	2045
Others	—	532	—	347

7. Interest

on Fixed Loan	—	—
on Other Account	211.96	205.79
	<u>211.96</u>	<u>205.79</u>

8. Payment to Auditors

a) Audit Fees	0.75	0.65
b) Tax Audit Fees	0.20	0.20
c) Taxation Matters	0.30	0.30
d) Certification Work	0.10	0.10
e) Reimbursement of Expenses	0.25	0.25
	<u>1.60</u>	<u>1.50</u>

9. Earning Per Share

Profit after Tax	38.78	103.93
No. of Shares (in lacs)	49.04	49.04
Earning Per Share (Rs.)	0.79	2.12

**10. Deferred Tax**

The working of 2008-09 has resulted in deferred tax liabilities amounting to Rs. 2.16 Lacs. This has been added to the deferred tax liability making it to Rs. 69.29 lacs.

11. Balance of Sundry Debtors, Sundry Creditors, Loans and Advances are subject to confirmation.

12. Previous year figures have been regrouped wherever considered necessary.

13. All figures have been rounded off to the nearest of Rupees lacs.

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directores) Rules, 1988 and forming part of the report of the Board of Directors for the period ended 31st March 2009.

Particulars with respect to conservation of energy :

The following measures have resulted in conservation & efficient utilisation of energy :

The Company has installed A.C. Variable drives for A.C. Induction Motors in place of conventional starter for saving of power as well as to maintain the speed at the desired level.

A. Power and Fuel Consumption

	<i>2008-09</i>	<i>2007-08</i>
(i) Electricity :		
(a) Purchased ('000 Units)	2579.32	2789.94
Total Amount (Rs. in lacs)	121.21	134.13
Rate per unit (Rs.)	4.70	4.81
(b) Own Generation		
(D.G. Set) ('000 Units)	465.43	893.59
Total Amount (Rs. in lacs)	56.56	98.90
Cost per unit (Rs.)	12.15	11.07
(ii) Diesel Oil/C - 9		
Quantity (Kilo Litres '000)	651.15	970.40
Total Amount (Rs. in lacs)	194.61	238.85
Average Rate (Rs./ Litre)	29.89	24.61
(iii) Furnace Oil		
Quantity (Kilo Litres '000)	186.91	330.32
Total Amount (Rs. in lacs)	51.19	64.33
Average Rate (Rs./ Litre)	27.39	19.48

B. Consumption per unit of production

	<i>Production Unit</i>	<i>Current Year</i>	<i>Previous Year</i>
Electricity (KWH)	MT	168.91	148.55

Research and Development and Technology Absorption:

Technology for rolling of stainless steel was developed and put to use for commercial production.

Foreign Exchange Earning and Outgo

Foreign Exchange Earning and Outgo is nil.

**14. Related Party Transactions**

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made. No amounts have been written off or written back during the year in respect of debts due from or to related parties.

There are no other related parties where control exist that needs to be disclosed.

(Rs. in Lacs)

Name of related Party	Description of relationship with the party	Nature of transactions	Value of transaction for the year ended 31.03.2009	Outstanding as on 31.03.2009	Payable (P) Receivable (R)	Written off During Year ended 31.03.2009
M/s Anil Khandelwal & Associates	Partners Mr. Anil Khandelwal & Mr. Vinay Khandelwal are sons of Mr. A. P. Khandelwal and Brothers of Mr. Pramod Khandelwal. Mr. S. K. Khandelwal is son of Mr. D. P. Khandelwal.	Audit Fee	1.60	1.60	(P)	Nil
Mr. Vinay Khandelwal	Son of Mr. A. P. Khandelwal, Director	Rent	0.36	—	—	Nil
M/s Kochar Agro Industries Pvt. Ltd.	Associate	Sale/Rent	526.74	1.83	(R)	Nil
M/s Silvassa Wooden Drums	Associate	Purchases/Sales	7.04	—	—	Nil
M/s Khandelwal Galva Strips Pvt. Ltd.	Associate	Finance	9.00	17.05	(P)	Nil
Mr. R. C. Khandelwal	Chairman	Remuneration Other Liability	15.00 81.00	— 4.00	— (P)	Nil Nil
Mr. R. C. Khandelwal (HUF)	Chairman	Other Liability	5.00	5.00	(P)	Nil
Mr. Pramod Khandelwal	Managing Director	Remuneration Other Liability	22.50 12.50	— 7.50	— (P)	Nil Nil
Mr. A. P. Khandelwal	Director	Remuneration Other Liability	15.00 60.00	— 68.50	— (P)	Nil Nil
Mr. D. P. Khandelwal	Director	Sitting Fee	0.16	0.08	(P)	Nil
Mr. V. K. Hajela	Director	Sitting Fee	0.14	—	—	Nil
Mr. K. L. Gupta	Director	Sitting Fee	0.14	0.14	(P)	Nil

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (CLAUSE 32 OF LISTING AGREEMENT)***(Rs. in Lacs)**For the year ended
31st March, 2009*

A. Cash Flow from Operating Activities :		
Net Profit before taxes and Extraordinary Items		58.12
Adjustment for		
Depreciation	64.74	
Interest paid	211.96	276.70
Operating profit before working capital changes		334.82
(Increase)/Decrease in Sundry Debtors	254.03	
(Increase)/Decrease in Inventories	488.30	
(Increase)/Decrease in Loans & Advances	(21.90)	
Increase/(Decrease) in Current Liabilities	(90.03)	630.40
Cash generated from operations		965.22
Interest paid	(211.96)	
Extraordinary Items:		
Tax and Interest on tax paid for earlier year	(3.57)	(215.53)
Net cash from operating activities		749.69
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	(10.96)	
Proceeds from sales of Investment	—	
Purchase of investments	—	
Net cash from Investing Activities		(10.96)
C. Cash flow from Financing Activities		
Proceeds from new borrowings	—	
Repayment of borrowing	(704.14)	
Dividend & Tax paid	(17.18)	
Net cash from Financing Activities		(721.32)
Net cash flows during the year (A+B+C)		17.41
Cash and cash equivalents (Opening balance)		58.13
Cash and cash equivalents (Closing balance)		75.54

Notes to cash flow statement:

- 1 Figures in brackets indicate cash out flows.
- 2 Interest paid relates to the charge of the year and is considered part of operating activities.
- 3 Bank borrowings have been grouped as part of financing activities.
- 4 Figures have been rounded off to the nearest of Rupee Lacs.

For and on behalf of the Board

Date : 30.06.2009
Place : New Delhi**(PRAMOD KHANDELWAL)**
Managing Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No.	:	55-63387	State Code	:	55
Balance Sheet Date	:	31.03.2009			

II. Capital raised during the year (Amount in Rupees thousands)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus issue	:	Nil	Private Placement	:	Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees thousands)

Total Liabilities	262525	Total Assets	262525
-------------------	--------	--------------	--------

Sources of Funds

Paid-up Capital	:	49040	Reserves and Surplus	:	64630
Secured Loans	:	133246	Deferred Tax	:	6929
Unsecured Loans	:	8680			

Application of Funds

Net Fixed Assets	:	70460	Investment	:	Nil
Net Current Assets	:	192065	Miscellaneous Exp.	:	Nil
Accumulated Losses	:	Nil			

IV. Performance of the Company (Amount in Rupees thousands)

Turnover	:	991257	Total Expenditure	:	985445
(Including other Income & processing Income-7466)					
Profit before tax	:	5812	Profit after Tax	:	3878
Earning per share (Rs.)	:	0.79	Dividend	:	Nil
(Annualised)					

V. Generic Name of the Principal Products/Services of the Company

Item Code No. (ITC Code)	:	72123000
Product Description	:	Galvanised Steel Tape
Item Code No. (ITC Code)	:	72113000
Product Description	:	Cold Rolled Steel Strips