

46. THE METAL INDUSTRIES LIMITED

| | | | |
|-------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------------------------|----------------|
| I Date of incorporation | 6th March, 1928 | | |
| II Address - Registered Office & Factory | Metind Nagar P.O, Shoranur - 679 122 Palakkad Dist. | | |
| III Phone | 04926 222268 & 222359 | | |
| IV Administrative Dept. (Under Govt.) | Industries Department | | |
| V Name of Chairman | Shri. P. Shaduli | | |
| VI Name of Managing Director | Shri. O.K. Moidu | | |
| VII Present Activities | Manufacturing and marketing of agricultural implements and tools. | | |
| VIII Manpower as on 31-3-05 | No. | Average Emoluments per person (Rs. per month) | |
| a. Workers (all non-supervisory employees in factory, office and field) | 89 | 4300.00 | |
| b. Supervisory Staff (in factory, office and field) | 5 | 4450.00 | |
| c. Executives | 2 | 5030.00 | |
| d. Senior Executives (Heads of department and above) | 1 | 14865.00 | |
| Total | 97 | | |
| | 2002-03 | 2003-04 | 2004-05 |
| IX Bonus | | | |
| a. Payable (%) | 8.33 | 8.33 | 8.33 |
| b. Paid (%) | | 8.33 | 8.33 |
| 8.33 | | | |
| X Financial Position (Rs.in lakhs) | | | |
| A. Liabilities | | | |
| 1. Capital | | | |
| a. Authorised capital | 200.00 | 200.00 | 200.00 |
| b. Paid up capital | 147.95 | 147.95 | 147.95 |
| c. Advance share capital | - | - | - |
| 2. Reserves & Surplus | | | |
| a. Retained earnings | - | - | - |
| b. Other reserves | 264.28 | 264.28 | 264.28 |
| 3. Long-term loans | | | |
| a. Government | 32.86 | 33.03 | 33.20 |
| 4. Current liabilities & provisions | | | |
| a. Bank borrowings for working capital | 35.05 | 16.99 | 54.95 |
| b. Bills payable | 4.01 | 4.97 | 7.87 |
| c. Sundry creditors | 27.47 | 22.50 | 26.42 |
| d. Outstanding expenses | 55.52 | 70.65 | 56.51 |
| Total | 567.14 | 560.37 | 591.18 |
| B. Assets | | | |
| 5. a. Fixed assets:Gross Block | 259.03 | 259.51 | 259.53 |
| b. Less: Depreciation | 38.58 | 40.62 | 42.36 |
| c. Net fixed assets | 220.45 | 218.89 | 217.17 |
| d. Capital work in progress | - | - | - |

| | | | |
|-------------------------------------------------------------|---------------|---------------|---------------|
| 6. Investments | - | - | - |
| 7. Current assets | | | |
| a. Cash & Bank balance | 0.50 | 6.16 | 0.21 |
| b. Sundry debtors | 45.47 | 34.21 | 42.66 |
| c. Advances | 14.48 | 14.58 | 9.43 |
| d. Prepaid expenses | 1.34 | 1.23 | 1.32 |
| e. Stock | | | |
| i) Raw materials | 4.86 | 2.89 | 12.71 |
| ii) Semi-finished goods (Work-in-process) | 5.71 | 3.80 | 3.37 |
| iii) Finished goods | 28.40 | 19.17 | 19.38 |
| iv) General stores & spares | 2.58 | 3.82 | 5.96 |
| f. Other current assets | 4.44 | 2.67 | 1.33 |
| 8. Miscellaneous expenditure not written off/adjusted | | | |
| a. Deferred advertisement | 0.16 | - | - |
| b. Others | 55.14 | 54.23 | 50.27 |
| c. P & L Account (Accumulated loss, if any) | 183.61 | 198.72 | 227.37 |
| Total | 567.14 | 560.37 | 591.18 |
| C. Other Details | | | |
| 1 Share distribution(%) | | | |
| a. State Govt. | 95.00 | 95.00 | 95.00 |
| b. Public | 5.00 | 5.00 | 5.00 |
| Total | 100.00 | 100.00 | 100.00 |
| 2 Net worth | 173.32 | 159.28 | 134.59 |
| 3 Capital employed | 206.18 | 192.31 | 167.79 |
| 4 Capital invested | 180.81 | 180.98 | 181.15 |
| 5 Working capital (Current assets - Current liabilities) | -14.27 | -26.58 | -49.38 |

XI Working results: (Rs. in lakhs)

1. Income

| | | | |
|-------------------------------------------------------------------------|---------------|---------------|---------------|
| a. Sales/Service charges | 237.03 | 176.84 | 143.52 |
| b. Other Income | 3.57 | 14.81 | 3.81 |
| c. Increase / decrease in stock of finished goods & work-in-progress | -2.77 | -13.57 | -1.49 |
| Total | 237.83 | 178.08 | 145.84 |

2. Expenditure

| | | | |
|---------------------------------------------|-------|-------|-------|
| a. Raw materials,chemicals etc. consumed | 45.45 | 42.71 | 40.87 |
| b. Power, fuel and water charges | 21.81 | 19.91 | 16.27 |
| c. Other expenses | 84.96 | 36.55 | 27.89 |
| d. Personnel expenses | 66.31 | 62.32 | 50.16 |
| e. Interest & Bank charges | 5.17 | 6.33 | 7.12 |
| f. Selling & distribution expenses | 9.88 | 9.22 | 6.93 |
| g. Administration expenses | 7.48 | 7.56 | 7.01 |
| h. Excise duty | 4.14 | 4.58 | 0.03 |
| i. Depreciation | 2.68 | 2.03 | 1.74 |

| | | | | |
|----------------------------------------------------------|--------------|--------------------------------|-----------------------------|--------------------------------|
| | Total | 247.88 | 191.21 | 158.02 |
| Operating profit/loss(+/-) | | -10.05 | -13.13 | -12.18 |
| +/- Prior period adjustment | | -0.25 | -1.97 | -16.47 |
| Net profit/loss (+/-) | | -10.30 | -15.10 | -28.65 |
| XII Taxes & duties: | | | | |
| a. Excise duty | | 4.14 | 4.58 | 0.03 |
| b. CST | | 0.14 | 0.05 | 0.06 |
| c. Sales Tax | | - | - | 0.21 |
| XIII Dividend | | Nil | Nil | Nil |
| XIV Long Term Loans (Rs. in lakhs) | | State | Others | Total |
| (including interest) | | Govt. | | |
| a. Opening balance (01-04-04) | | 30.00 | 3.03 | 33.03 |
| b. +Additional loans availed during the year | | - | - | - |
| c. +Interest due for the year | | - | 0.17 | 0.17 |
| d. -Payments made during the year (Principal + Interest) | | - | - | - |
| e. Closing balance (As on 31-03-05) | | 30.00 | 3.20 | 33.20 |
| XV Interest charges on term loans | | | Others | |
| a. Opening balance (Interest outstanding) | | | 2.03 | |
| b. +Interest due for the year | | | 0.17 | |
| c. -Interest paid during the year | | | - | |
| d. Closing balance (Interest outstanding) | | | 2.20 | |
| XVI Statutory dues as on 31-03-05 | | Opening Balance as on 01-04-04 | Amount paid during the year | Balance to be paid on 31-03-05 |
| a. Guarantee Commission | | 3.57 | 0.36 | 3.53 |

XVII Production: (Rs. in lakhs)

| Sl. No. | Products | Units | 2003-04 | | 2004-05 | |
|---------|----------------|-------|---------------------------------|---------------|---------------------------------|---------------|
| | | | Production during the year Qty. | Value | Production during the year Qty. | Value |
| i. | Mammatties | MT | 86.58 | 63.23 | 85.19 | 43.63 |
| ii. | All Axes | MT | 10.65 | 9.16 | 30.80 | 17.42 |
| iii. | Pick Axes | MT | 34.47 | 21.45 | 31.11 | 23.15 |
| iv. | Crow Bar | MT | 7.16 | 4.30 | 8.00 | 7.48 |
| v. | Sledge hammers | MT | 95.46 | 4.47 | 71.18 | 57.94 |
| vi. | Others | MT | 10.72 | 100.05 | - | - |
| | Total | | 245.03 | 202.66 | 226.28 | 155.62 |

XVIII Sales (Product-wise) (Rs. in lakhs)

| Sl. No. | Products | Unit | 2003-04 | | 2004-05 | |
|---------|------------|------|-------------------------|-------|-------------------------|-------|
| | | | Sales for the year Qty. | Value | Sales for the year Qty. | Value |
| i. | Mammatties | MT | 89.84 | 66.39 | 51.98 | 47.78 |
| ii. | All Axes | MT | 10.19 | 9.99 | 5.83 | 8.42 |
| iii. | Pick Axes | MT | 34.88 | 22.43 | 21.10 | 15.70 |

| | | | | | | |
|--------------|----------------|----|---------------|---------------|---------------|---------------|
| iv. | Crow Bar | MT | 5.46 | 4.58 | 2.40 | 2.40 |
| v. | Sledge hammers | MT | 98.06 | 6.55 | 61.18 | 59.14 |
| vi. | Others | MT | 12.82 | 101.96 | 81.66 | 45.90 |
| Total | | | 251.24 | 211.90 | 224.15 | 179.34 |

| XIX Financial / Operating ratios | 2002-03 | 2003-04 | 2004-05 |
|------------------------------------------------------|----------------|----------------|----------------|
| a. Debt-equity ratio | 0.22:1 | 0.22:1 | 0.22:1 |
| b. Current ratio | 0.88:1 | 0.77:1 | 0.66:1 |
| c. Receivables to sales (in months) | 2.30 | 2.32 | 3.57 |
| d. Stock of finished goods to sales (in months) | 1.44 | 1.30 | 1.62 |
| e. Stock of raw materials to consumption (in months) | 1.28 | 0.81 | 3.73 |
| f. Consumption to sales (%) | 19.17 | 24.15 | 28.48 |
| g. Net profit to sales(%) | -4.35 | -8.54 | -19.96 |
| h. Return on investment (%) | -5.00 | -7.85 | -17.07 |

XX Status of Accounts

- | | |
|-----------------------------------------------------------------|---------|
| a. Year up to which Accounts have been finalised by the company | 2004-05 |
| b. Year up to which audit is complete | 2004-05 |

XXI Employee Development:

Nil

XXII Income-tax Benefits/Reduction/Relief

- (a) Have you initiated any activity or project during the year that would result in income tax benefits/reduction/relief for the company

N.A.

XXIII Summary of Performance

During the year under review, the production has decreased to 226.3 MT as against the production of 245 MT during the previous year. The sales has also reduced to Rs.143.52 lakhs as compared to Rs.176.84 lakhs during 2003-04. The net loss incurred is also increased to Rs.28.65 lakhs as against the net loss of Rs.15.10 lakhs during the previous year. The working capital position remained negative and the accumulated loss at the end of the year amounts to Rs.227.37 lakhs.

THE AUDIT OF ACCOUNTS OF THE COMPANY IS COMPLETE AND UP-TO-DATE.