

20TH

ANNUAL REPORT 2013-2014



METAL COATINGS (INDIA) LIMITED

CORPORATE INFORMATION

DIRECTORS

R. C. Khandelwal
Pramod Khandelwal
A. P. Khandelwal
V. K. Hajela
S. K. Gupta
Neha Gupta

Chairman
Managing Director
Whole-Time Director
Independent Director
Independent Director
Independent Director

AUDITORS

Vinod Kumar & Associates
Chartered Accountants
909, Chiranjiv Tower, 43, Nehru Place,
New Delhi-110019

BANKERS

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

REGISTERED OFFICE

912, Hemkunt Chambers,
89, Nehru Place, New Delhi - 110019.
CIN: L74899DL1994PLC063387
Tel No: 011-41808125
Email Id: info@mcilindia.net
Website: www.mcil.net

WORKS

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

20TH ANNUAL GENERAL MEETING

Day : Tuesday
Date : 23rd September, 2014
Time : 10.30 a.m.
Venue : Robotics Hall, ISKCON Complex
Sant Nagar Main Road,
East of Kailash,
New Delhi-110065

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METAL COATINGS (INDIA) LIMITED

Registered office: 912, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110 019
CIN: L74899DL1994PLC063387, Website: www.mcil.net,
Email: info@mcilindia.net, Tel: 011-41808125

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting of Metal Coatings (India) Limited will be held at Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065 on Tuesday the 23rd day of September, 2014 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, 2014, and the Profit and Loss Account for the Year ended on that date, and the report of the Directors and Auditors thereon.
2. To re-appoint Mr. A.P. Khandelwal (DIN: 00725775) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To declare a dividend on equity shares.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
6. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr. Virendra Kumar Hajela (DIN- 00050661), an existing Independent Director, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”
7. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr. Satish Kumar Gupta (DIN- 03558083), an existing Independent Director, who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”
8. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**
“**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Ms. Neha Gupta (DIN: 06948920), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 13th August, 2014 and who holds office up to the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and who has filed with the Company the required declaration as per Section 149(7) of the Companies Act, 2013 that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing her candidature for the Office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 13th August, 2014 to 12th August, 2019, not liable to retire by rotation.”



9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the Companies Act, 2013 (“the Act”) and subject to the requisite approval of the Central Government, if any, the consent of the Company be and hereby accorded for payment of remuneration to Mr. Pramod Khandelwal (DIN: 00124082) the Managing Director of the Company by way of salary, perquisites and allowances, for a period of 3 years from 01.04.2014, on terms and conditions, as set out hereunder and as recommended by the Nomination and Remuneration Committee and as approved by the Board of directors of the Company:

- a) Salary: Rs. 6,00,000/- per month.
- b) Benefits, perquisites and allowances as may be determined by the Board from time to time.
- c) Gratuity, Leave Encashment and Provident Fund: As per the rules of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Pramod Khandelwal, as Managing Director of the Company, the above mentioned remuneration be paid to Mr. Pramod Khandelwal, as minimum remuneration, subject to the approval of Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and / or any rules or regulations there under.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with schedule V of the Companies Act, 2013 (“the Act”) and subject to the requisite approval of the Central Government, if any, the consent of the Company be and hereby accorded for payment of remuneration to Mr. Ramesh Chander Khandelwal (DIN: 00124085), as Whole-Time Director of the Company by way of salary, perquisites and allowances, for a period of 3 years from 01.04.2014, on terms and conditions, as set out hereunder and as recommended by the Nomination and Remuneration Committee and as approved by the Board of directors of the Company:

- a) Salary: Rs. 6,00,000/- per month.
- b) Benefits, perquisites and allowances as may be determined by the Board from time to time.
- c) Gratuity, Leave Encashment and Provident Fund: As per the rules of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Ramesh Chander Khandelwal, as Whole-Time Director of the Company, the above mentioned remuneration be paid to Mr. Ramesh Chander Khandelwal, as minimum remuneration, subject to the approval of Central Government, if necessary.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and / or any rules or regulations there under.”

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association placed before the meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For and on behalf of the Board of Directors

Date : 13.08.2014
Place : New Delhi

(Anu Kumari)
Company Secretary

**NOTES:**

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other member. The instrument of the proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.**
2. An explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20th September, 2014 to Tuesday 23rd September, 2014 (both days inclusive) for the purpose of payment of dividend for the Financial Year ended 31st March, 2014 and the Annual General Meeting.
5. The final dividend on Equity Shares for the financial year ended 31st March, 2014 as recommended by the Board, if approved by the members, will be paid within a period of thirty (30) days from the date of declaration of dividend, to those members whose names appear in the Register of Members of the Company as on close of business hours on Friday, 19th day of September, 2014.
6. Members are requested to notify immediately any change in their address to the Company / Registrars and Transfer Agents of the Company.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual General Meeting. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Relevant documents referred to in the accompanying notice and the statements are open for inspection by the members at the Registered Office of the Company on all working days except Saturday between 11.00 am to 1.00 pm up to the date of Annual General Meeting.
11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts, Members holding shares in physical form can submit their PAN to the Company / Registrars and Transfer Agents of the Company.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrars and Transfer Agents of the Company, for consolidation into a single folio.
14. Non-Resident Indian Members are requested to inform to the Registrars and Transfer Agents of the Company : (a) Change in their residential status on return to India for permanent settlement (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Pursuant to the Provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or Unclaimed dividends for the financial year 2005-06, on due date, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company as on September 23, 2013 (date of last Annual General Meeting) on the website of the Company (www.mcil.net), as also on the website of the Ministry of Corporate Affairs.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the depository. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.



18. The Notice of AGM, Annual Report, attendance slip and proxy form are being sent in electronic mode to members whose e-mail addresses are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance slip are being sent to those members who have not registered their e-mail addresses with the Company or Depository Participant(s). Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance slip and submit a duly filled in Attendance slip at the registration counter to attend the AGM.

19. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility of voting through electronic means, as an alternate, to enable them to cast their votes electronically and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on August 22, 2014 (cut-off-date).

The instructions for members for voting electronically are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID.
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. For example: If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.• Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/NSDL client i.d. For example: in case of name is Rahul Mishra and Demat A/c No. is 120587000001234 then default value of PAN is 'RA00001234.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of "Metal Coatings (India) Limited" to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
20. The e-voting period begins on Wednesday, 17th September, 2014 (9.00 a.m.) and ends on Friday, 19th September, 2014 (6.00 p.m.). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22 August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
21. In case the members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
22. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record Date.
23. The Company has appointed Mr. Hemant Kumar Singh, Company Secretary, of M/s Hemant Singh & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
24. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
25. The Notice along with the Annual Report for the Financial Year 2013-14 will also be available on the Company's Website www.mcil.net for download.
26. The results shall be declared on or after the Meeting (AGM) of the Company. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.mcil.net and on the website of CDSL within two (2) working days of passing of the resolutions at the Meeting (AGM) of the Company and communicated to the Stock Exchanges where the equity shares of the Company are listed viz. BSE Ltd.

For and on behalf of the Board of Directors

Date : 13.08.2014
Place : New Delhi

(Anu Kumari)
Company Secretary



STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“the Act”)

The following statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a consolidated remuneration of Rs. Thirty Five Thousand Only plus travelling expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ITEM NO. 6

Mr. Virendra Kumar Hajela is a Non Executive Independent Director of the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Virendra Kumar Hajela being eligible for appointment, is proposed to be appointed as an Independent Director of the Company for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Virendra Kumar Hajela for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Virendra Kumar Hajela the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Virendra Kumar Hajela as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Virendra Kumar Hajela, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Virendra Kumar Hajela in the capacity of Independent Director.

No Director, key managerial personnel or their relatives, except Mr. Virendra Kumar Hajela, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for approval of the Members.

ITEM NO. 7

Mr. Satish Kumar Gupta is a Non Executive Independent Director of the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Satish Kumar Gupta being eligible for appointment, is proposed to be appointed as an Independent Director of the Company for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Satish Kumar Gupta for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Satish Kumar Gupta the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.



The resolution seeks the approval of members for the appointment of Mr. Satish Kumar Gupta as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Satish Kumar Gupta, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Satish Kumar Gupta in the capacity of Independent Director.

No Director, key managerial personnel or their relatives, except Mr. Satish Kumar Gupta, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.7 for approval of the Members.

ITEM NO. 8

Ms. Neha Gupta was appointed as an Additional Director by the Board with effect from 13th August 2014, pursuant to Section 161 of the Companies Act, 2013, Ms. Neha Gupta will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Ms. Neha Gupta for the office of independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Neha Gupta the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Neha Gupta as an Independent Director of the Company up to 12th August, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board, Ms. Neha Gupta, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management.

Ms. Neha Gupta does not hold any Equity Shares of the Company.

No Director, key managerial personnel or their relatives, except Ms. Neha Gupta, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 8 for approval of the Members.

ITEM NOS. 9 & 10

The Company at its Annual General Meeting dated September 23rd, 2013, had re-appointed Mr. Ramesh Chander Khandelwal as Whole-Time Director and Mr. Pramod Khandelwal as the Managing Director of the Company for a period of five years with effect from Oct 1st, 2013, each on the remuneration as set out hereunder:

- a) Salary: Rs. 6,00,000/- Per Month.
- b) Benefits, perquisites and allowances as will be determined by the Board from time to time.
- c) Gratuity, Leave Encashment and Providend Fund: As per the rules of the Company.

The remuneration, as aforesaid, to Mr. Ramesh Chander Khandelwal as Whole-Time Director and Mr. Pramod Khandelwal as the Managing Director of the Company was subject to the approval of Central Government in accordance with the relevant provisions of the Companies Act, 1956 read with Schedule XIII to the said Act. The Central Government had approved the above remuneration to Mr. Ramesh Chander Khandelwal and Mr. Pramod Khandelwal upto 31st March, 2014 commencing from Oct 1st, 2013.

In view of valuable contributions made by Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal in managing the affairs of the Company, for the sake of continuity of the present management and for efficient running of the Company and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, at their meeting held on 13th August, 2014 has under the provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, approved the remuneration of Mr. Pramod Khandelwal, Managing Director and Mr. Ramesh Chander Khandelwal, whole-time director of the Company, for a period of three years with effect from April 01, 2014, on the terms and conditions as set out in the resolution(s). These remunerations are subject to the approval of Members of the Company by way of Special Resolution and Central Government, if necessary.



In the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of above mentioned Directors, the remuneration as mentioned in the resolution(s), shall be paid to them, as minimum remuneration, subject to the approval of Central Government, if necessary.

The payment of remuneration, as aforesaid, to the Directors is subject to the approval by the shareholders in the General Meeting and the Central Government, if necessary, in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V to the said Act. The resolution(s) set out in the notice are intended for this purpose.

The particulars required to be disclosed in the explanatory statement in accordance with provisions of Section II of Part II of Schedule V of the Companies Act, 2013, are enclosed in a separate statement and forms a part of this notice.

Mr. A. P. Khandelwal, Director of the Company is deemed to be interested in the proposed resolution of the remuneration of Mr. Pramod Khandelwal, Managing Director of the Company.

The Board recommends the special resolution(s) set forth at item Nos. 9 & 10 of the Notice for the approval of the members.

ITEM NO. 11

The existing Articles of Association of the Company is based on the Companies Act, 1956. The references to specific sections of the Companies Act, 1956, in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013.

Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder by way of adoption of Table F of Schedule I of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

STATEMENT, PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NOS. 9&10 OF THE NOTICE:**I. General Information****1. Nature of Industry:**

The Company is engaged in the manufacture and sale of Cold Rolled Steel Coils/Strips, H.R. Pickled & Oiled Coils / Strips.

2. Date or expected date of commercial production:

The Company is already into commercial production and started its business from February 09, 1995.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:

The financial performance of the Company in last three years is as under:

(Rs. in lacs)

Financial Parameter	Years Ended		
	2011 - 12 (15 Months)	2012- 13	2013 - 14
Gross Sales/operational Income	13274.38	11282.95	12204.31
Net Profits / (Loss) (Before Tax)	261.09	221.50	256.38
Dividend %	10%	-	10%

5. Foreign investments or collaborators, if any:

The Company does not have any foreign collaboration.

II. Information about the appointees:**1. Background details****Mr. Pramod Khandelwal**

Mr. Pramod Khandelwal, aged 48 years is a Chartered Accountant having 25 years entrepreneurial and industrial experience including 5 years in a Multinational Company. He looks after Commercial, Financial and Marketing functions of the Company, besides leading new ventures.

Mr. Ramesh Chander Khandelwal

Mr. Ramesh Chander Khandelwal, aged 63 years is a Mechanical Engineer having more than 41 years of industrial experience. During his tenure he has served as key Executive in different institutions / companies. He looks after the Technical and Manufacturing Operations.

**2. Past Remuneration**

	Mr. Pramod Khandelwal	Mr. Ramesh Chander Khandelwal
Salary	Rs. 6,00,000/- Per Month	Rs. 6,00,000/- Per Month

3. Recognition or awards

Mr. Ramesh Chander Khandelwal has been General Secretary of Faridabad Chamber of Commerce and Industries. He has also served as President of Lions Club of Faridabad Green. Mr. Pramod Khandelwal is an accomplished professional and he was ranked 19th in India in C.A. Final.

4. Job profile and suitabilityMr. Pramod Khandelwal

Mr. Pramod Khandelwal, aged 48 years is a Chartered Accountant having 25 years entrepreneurial and industrial experience including 5 years in the multinational Hindustan Unilever Ltd. He looks after Commercial, Financial and Marketing functions of the Company, besides leading new ventures. His in-depth knowledge of finance, commercial acumen and innovative marketing initiatives have stood the company in good stead in the face of adverse market conditions such as the one during the fall of Galvanised Steel Tape market in 2002-03 and now, the tough economic conditions of the past couple of years. His knowledge of the steel industry as well as the insight into the auto component and consumer durables market has helped the company in taking pro-active steps well before competition.

Mr. Ramesh Chander Khandelwal

Mr. Ramesh Chander Khandelwal, aged 63 years is a Mechanical Engineer having more than 41 years of industrial experience. During his tenure he has served as key executive in different institutions / companies. He takes care of manufacturing function and also decides on key technical aspects of operations. His dedication and commitment to the growth of the company as well as his technical expertise in C. R. manufacturing and galvanising has helped the company in substantially improving the efficiencies with minimum investments in infrastructure. Owing to his leadership skills, he was also elected as General Secretary of Faridabad Chamber of Commerce and Industries.

5. Remuneration proposed

As Stipulated in the resolution.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)

Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal are on the Board of the Company since its inception. They have led the Company from its initial stage and have propelled its growth. They have streamlined the business processes and operations of the Company and have been its strategic management personnel. Their skill-sets and their experience places them in a correspondingly equal position to major C.R. Manufacturing companies in India. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Mr. Pramod Khandelwal is son of Mr. A. P. Khandelwal, Director of the Company. Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal have been directors of the Company since inception and they have been instrumental in bringing significant growth in the volume of business since inception. They have pecuniary relationship with the Company in there capacity as Directors.

III. Other Information:

Reasons for loss or inadequate profits, Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The reason behind the inadequate profit for managerial remuneration is the pressure on the bottom line of the Company in past years in the face of adverse scenario in the industry. However due to various measures taken by the management leading to cost cuts and increased productivity, extensive reach to the end user of the product and due to its stringent quality standard, dedicating marketing team, the profits are improved and the forthcoming years should see further improvements in the profits.

IV. Disclosures:

The Proposed remuneration package of the Managerial Personnel is detailed in the resolution. The Corporate Governance Report which forms part of the Director's Report contains details of remuneration paid to all Directors.



The Board recommends the resolution for approval of the shareholders.

Mr. A. P. Khandelwal, Director of the Company is deemed to be interested in the proposed resolution of remuneration of Mr. Pramod Khandelwal as Managing Director of the Company.

For and on behalf of the Board of Directors

Date : 13.08.2014

Place : New Delhi

**(Anu Kumari)
Company Secretary**

ANNEXURES

Details of Directors seeking Appointment/ Re-Appointment at the Annual General Meeting (In pursuance to Clause 49 of the Listing Agreement)

Mr A. P. Khandelwal, aged 75 years is Ex-CMD of a Central Public Sector Undertaking. He started his career as an executive in "Shriram Group" and later on headed the finance/ accounts/administration of various PSUs. His vast experience & wide contacts with Corporates acts as a major guiding force behind the company. He does not hold any directorship in any other companies. He holds 15,200 Equity Shares (0.21%) Equity Shares of the Company.

Mr. Virendra Kumar Hajela: - He has 51 Years of experience including 41 years in a variety of industries including engineering, chemicals, synthetic fiber, rubber, glass, electronics and telecommunications. He was Executive Director on the Supervisory Board of RPG Enterprises and had responsibility for all the companies in the RP Goenka Group in the business of Telecommunications, Information Technology and Glass Industry. Mr V.K Hajela is not related to any Director of the Company. He does not hold any Equity Shares of the Company.

Mr. Satish Kumar Gupta: - He is a commerce graduate and has over 33 years experience in engineering and fast moving consumer goods industries. He does not hold any directorship in any other companies. Mr S.K. Gupta is not related to any Director of the Company. He does not hold any Equity Shares of the Company.

Ms. Neha Gupta is a commerce graduate and MBA (Finance) and has more than 7 years experience in accounts and finance. She does not hold any directorship in other Company. Ms. Neha Gupta is not related to any Director of the Company. She does not hold any Equity Shares of the Company.

**DIRECTORS' REPORT**

TO THE MEMBERS,

The Directors of your Company have pleasure in presenting their *TWENTIETH ANNUAL REPORT* together with the Audited Statements of Account for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS*(Rs. in lacs)*

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Total Revenue	10990	10160
Operating Profit	506	489
Profit before Tax	256	222
Provision for Taxation	74	82
Profit after Tax	182	140

PERFORMANCE REVIEW

The year under review was characterised by a low rate of growth of the economy due to overhang of lower capital expenditure and investments, tight monetary policy and sluggish demand conditions in critical sectors including the automotive sectors wherein the Company operates. In spite of the tough conditions, your Company recorded an increase of more than 8% in its Income from Operations during the year as compared to previous year. The Income from Operations during the year ended 31st March, 2014 was Rs. 10990 lacs as against Rs. 10160 lacs in the previous year. The Profit After Tax was Rs. 182 lacs as against Rs. 140 lacs in the previous year.

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

As per the Companies Act, 2013, Mr. A.P. Khandelwal, Director of the Company, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

Ms. Neha Gupta was appointed as Additional Independent Director of the Company w.e.f. 13th August, 2014.

The Companies Act, 2013 provides for appointment of Independent Directors. Section 149(10) of the Companies Act, 2013 (effective from April 1, 2014) provides that Independent Directors shall hold office for a term of upto five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of special resolution by the shareholders of the Company. Section 149(11) states that no independent director shall be eligible for more than two consecutive terms of five years.

Further, Section 149(13) states that the provisions of retirement by rotation as defined in sub sections (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to such Independent Directors.

The non-executive independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The Board of Directors has been advised that Mr. Virendra Kumar Hajela (Mr. V.K. Hajela) and Mr. Satish Kumar Gupta (Mr. S.K. Gupta), the Independent Directors shall hold office for 5 (five) consecutive years from w.e.f. 1st April, 2014 upto 31st March, 2019. Further, Ms. Neha Gupta, Additional Non-Executive Independent Director of the Company will complete her present term at the ensuing Annual General Meeting on 23rd September, 2014, and being eligible and seeking appointment, be considered by the shareholders for re-appointment for a term of upto 5 consecutive years i.e. upto 12th August, 2019.

Mr. Kishan Lal Gupta (Mr. K.L. Gupta) resigned from the services of the Company, effective from 13th August, 2014. The Board conveys its deep sense of appreciation for the services rendered by him during his tenure as Independent Director.

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 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

The Shares of the Company are listed with BSE Ltd., Mumbai. The Company has paid the annual listing fees to the BSE Limited for the year 2014-15.

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 year ended 31st March, 2014 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 judgments 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, 2014 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 for the year ended 31st March, 2014 has been prepared on a 'going concern' basis.

AUDITORS

M/s Vinod Kumar & Associates, Chartered Accountants, Auditors of the Company, retire at the ensuing AGM and have confirmed their eligibility and willingness to accept office, if re-appointed.

CORPORATE GOVERNANCE

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

DIVIDEND

Your Directors are pleased to recommend a final dividend of 10% on equity capital for the year ended 31.03.2014. The final dividend, subject to approval of Members at the Annual General Meeting, will be paid within a period of thirty days (30) from the date of declaration of dividend, to those members whose names appear in the Register of Members of the Company as on close of business hours on Friday, 19th day of September, 2014. The dividend payout will be Rs. 85.72 Lacs including dividend distribution tax of Rs. 12.45 Lacs.

APPRECIATIONS AND ACKNOWLEDGMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders. The Directors also wish to place on record their appreciation to the Canara bank, the suppliers and customers constituting the supply chain, and the shareholders of the Company for their continued support and co-operation.

For and on behalf of the Board of Directors

Date : 13.08.2014
Place : New Delhi

(R.C. KHANDELWAL)
Chairman

**Annexure to the Directors' Report**

Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988
Disclosure of particulars with respect to conservation of energy :

A. POWER AND FUEL CONSUMPTION

	For the Year ended 31.03.2014	For the Year ended 31.03.2013
(i) Electricity		
(a) Purchased ('000 Units)	3530.97	3004.26
Total Amount (Rs. in lacs)	275.01	198.86
Rate per unit (Rs.)	7.79	6.62
(b) Own Generation		
(D.G. Set) ('000 Units)	368.66	673.34
Total Amount (Rs. in lacs)	64.51	103.45
Cost per unit (Rs.)	17.50	15.36
(ii) Diesel Oil/C-9 :		
Quantity (Kilo Litres '000)	908.18	1007.90
Total Amount (Rs. in lacs)	426.94	408.49
Average Rate (Rs./Litre)	47.01	40.53

B. Consumption per unit of production

	Production Unit	Current Year	Previous Year
Electricity (KWH)	MT	139.00	124.00

Particulars with respect to conservation of energy :

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

1. Variable Frequency Drives (VFD) were installed in H.R. Pickling Section of the Plant at Ballabgarh which will help in saving energy.
2. LED Lights were installed to replace the energy-inefficient, conventional lamps in the main factory sheds to conserve energy.

Research and Development and Technology Absorption:

The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However continuous efforts are made to improve the product quality and machine efficiencies and to develop new products/product mix. During the year, the company undertook research and development in improving the surface finish of blade grade stainless steel in keeping with its philosophy of continuous improvement. Consequently, a new process for pickling of stainless steel is being put in place which will consist of an on-line shot-blasting-cum-pickling process. This line is currently in the process of being commissioned.

Foreign Exchange Earning and Outgo : NIL



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Company is engaged in the manufacture and sale of Cold Rolled Steel Strips and HRPO steel strips/coils. The company is thus operating in the steel sector. In 2013, India remained the 4th largest steel producing country in the world after China, Japan and the USA. Steel demand grew by 1.8% during 2013. Products of the Company are used by a wide range of user industries such as Auto Components, Consumer Durables, Electrical Equipment amongst others.

OPPORTUNITIES AND OUTLOOK

The products of the Company are used predominantly in the Auto Components and Consumer durables/white goods components industries. The impact of volatility in prices, exchanges rates, prevailing mining challenges, geopolitical situation, a perceived slow down and uncertainties in the policies land scape contributed to the lack of confidence in the market during 2013-14. The automotive sector (passenger cars, commercial vehicles) registered a negative growth of -6% in the financial year 2013-14. The white goods industry too didn't see any perceptible growth. However, India's overall consumption being much lower than the world average, the medium to long term demand potential in these sectors is promising. Moreover, in light of a stable government at the centre, it is expected that decisive steps would be taken to end the uncertainties in policy, bringing back economic development to centre stage. The increasing disposable income among young middle class population is expected to add to the demand for two-wheelers and cars. The consumer durables industry on the other hand is likely to grow especially in the rural India where the penetration of white goods/consumer durables continues to be low in spite of a surge in the purchasing power in the rural economy. As power availability and distribution picks momentum, the demand for these white goods and appliances is expected to be robust in the years to come.

RISKS, THREATS AND CONCERNS

Every organization has its own risk management policies to manage the risks and to mitigate the negative impact on the organization. Performance and operating results of any organization may fluctuate due to a number of factors and many of them are beyond the control of the organization. The steep increase in fuel prices in the recent past coupled with high interest rates are a cause of concern as they have had a dampening effect on the demand for vehicles.

The Company has a sound business risk management policy to mitigate the impact of risk and threats. In today's open economy, quality plays an important role in marketing the products and to stay ahead of others. Therefore, the Company is laying great emphasis on the quality of its products that meet high standards of quality in the market. Special attention is being paid to management of receivables with a close monitoring of the trends or any development at the highest levels to ensure that there is no loss to the company on this account.

FINANCIAL PERFORMANCE

	For the year ended on 31.03.2014	For the year ended on 31.03.2013
Revenue from Operation (Net)	10933	10108
Other Income	56	52
Profit before Finance Cost	433	428
Finance Cost	177	206
Profit before Tax	256	222
Tax	74	82
Profit after Tax	182	140

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control system which is commensurate with the nature of its business and the size and complexity of its operations. This internal control system, its adequacy and its effectiveness is periodically reviewed by the Audit Committee. These systems have been designed to ensure optimal utilization of resources, accurate and timely reporting of financial transactions, complying with applicable statute and safeguarding the assets from unauthorised use. The Audit Committee also 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 ENDED 31.03.2014****(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 ensure fairness, transparency, accountability and responsibility to shareholders besides voluntarily implementing practices that would give optimum information to shareholders.

2. Board of Directors

As on 31st March, 2014, the Company has six directors out of which three are executive directors and three are Independent Non-Executive Directors. The number of independent 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 during F.Y. 2013-14	Attendance at last AGM on 23.09.2013	No. of other Directorship #	Committee Membership @	Chairperson of committees
EXECUTIVE DIRECTORS						
1 R. C. Khandelwal	Chairman	6	Yes	—	1	—
2 Pramod Khandelwal	Managing Director	6	Yes	—	1	—
3 A. P. Khandelwal	Whole-Time Director	6	Yes	—	—	—
INDEPENDENT NON EXECUTIVE DIRECTORS						
4 V. K. Hajela	Director	4	No	1	2	2
5 S. K. Gupta	Director	3	Yes	—	3	1
6 K. L. Gupta*	Director	5	No	—	2	—
7 Neha Gupta**	Director	N.A.	N.A.	—	2	—

: 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.

* Mr. Kishan Lal Gupta, the Independent Director of the Company resigned from the services of the Company, effective from 13th August, 2014.

**Ms. Neha Gupta has been appointed as an Additional Independent Director of the Company w.e.f. from 13th August, 2014 and the said appointment shall be subject to the approval of the members in the ensuing Annual General Meeting.

Number of Board Meetings held and the dates on which held

6 Board Meetings were held during the year ended 31.03.2014. The dates on which the meetings held were as follows: 18.04.2013, 30.05.2013, 09.08.2013, 13.11.2013, 14.02.2014 and 26.02.2014. 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 re-appointed/appointed, 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. V.K Hajela: - He has 51 Years of experience including 41 years in a variety of industries including engineering, chemicals, synthetic fiber, rubber, glass, electronics and telecommunications. He was Executive Director on the



Supervisory Board of RPG Enterprises and had responsibility for all the companies in the RP Goenka Group in the business of Telecommunications, Information Technology and Glass Industry. Mr V.K. Hajela is not related to any Director of the Company. He does not hold any Equity Shares of the Company.

Mr. S.K Gupta:- He is a commerce graduate and has over 33 years experience in engineering and fast moving consumer goods industries. He does not hold any directorship in any other companies. Mr S.K. Gupta is not related to any Director of the Company. He does not hold any Equity Shares of the Company.

Ms. Neha Gupta is a commerce graduate and MBA (Finance) and has more than 7 years experience in accounts and finance. She does not hold any directorship in other Company. Ms. Neha Gupta is not related to any Director of the Company. She does not hold any Equity Shares of the Company.

Mr A. P. Khandelwal, aged 75 years is Ex-Chairman of a Central Public Sector Undertaking. He started his career as an executive in "Shriram Group" and later on served as a Chief of Finance /Administration of various PSU's. His vast experience & wide contacts with Corporates acts as a major guiding force behind the company. He does not hold any directorship in any other companies. He holds 15200 (0.21%) Equity Shares of the Company.

3. Board Committees

The Board has three committees namely Audit Committee, Stakeholders Relationship Committee (formerly known as Shareholders'/ Investors' Grievance Committee) and Nomination and Remuneration Committee (formerly known as Remuneration Committee). The said committees were renamed as per relevant provisions of the Companies Act, 2013. The Committees of Board provides and evaluates the strategies Direction of the company, Management policies and their effectiveness and ensures that the long-term interests as the shareholders are being served.

(a) Audit Committee

The Terms of reference of the Audit Committee are broadly based as under:

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.



- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition:

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 four meetings during the year ended on 31st March, 2014 on 30.05.2013, 09.08.2013, 13.11.2013 and 14.02.2014. The details are as under:

S. No.	Name	Designation	No. of Meetings Attended
1	V. K. Hajela	Chairman (Independent)	4
2	S. K. Gupta	Member (Independent)	4
3	K. L. Gupta*	Member (Independent)	4
4	Neha Gupta**	Member (Independent)	N.A.

* Mr. Kishan Lal Gupta, the Independent Director of the Company resigned from the services of the Company, effective from 13th August, 2014.

** Ms. Neha Gupta has been appointed as an Additional Independent Director of the Company w.e.f. from 13th August, 2014 and the said appointment shall be subject to the approval of the members in the ensuing Annual General Meeting.

The Audit Committee has been vested with the following powers:

- To investigate any activity in terms of its reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure the attendance of outsiders with relevant expertise, if it considers necessary.

(b) Stakeholders Relationship Committee

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board on May 30, 2014 consequent to the dissolution of the Shareholder's / Investors' Grievance Committee (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

Composition

S. No.	Name	Category
1.	S. K. Gupta	Chairman (Independent)
2.	R. C. Khandelwal	Member (Whole-Time Director)
3.	Pramod Khandelwal	Member (Managing Director)

**Name and Designation of Compliance Officer:**

R. A. Sharma, DGM (Finance) is the Compliance Officer of the Company.

Status of Investor Complaints received during the Financial Year 2013-14 as per the Listing Agreement is as under:

Complaints as on 1st April, 2013	Nil
Received during the year	3
Resolved during the year	3
Pending as on 31st March, 2014	Nil

(C) Nomination and Remuneration Committee:

Terms of Reference: The Remuneration Committee has been constituted to recommend/review remuneration of the Chairman, Managing Director and Whole-time Directors, based on their performance and defined assessment criteria.

Composition

The Committee consists of three Independent Directors. The details are as under:

S. No.	Name	Category
1.	V. K. Hajela	Chairman (Independent)
2.	K. L. Gupta*	Member (Independent)
3.	S. K. Gupta	Member (Independent)
4.	Neha Gupta**	Member (Independent)

* Mr. Kishan Lal Gupta, the Independent Director of the Company resigned from the services of the Company, effective from 13th August, 2014.

** Ms. Neha Gupta has been appointed as an Additional Independent Director of the Company w.e.f. from 13th August, 2014 and the said appointment shall be subject to the approval of the members in the ensuing Annual General Meeting.

Remuneration policy and other terms of appointment of Directors:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

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	30.00

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 2013 to March 2014)

S. No.	Name	Sitting Fees (Rupees)			
		Board Meeting	Audit Committee Meeting	Remuneration Committee	Total
1	V. K. Hajela	8,000	8,000	2,000	18,000
2	S. K. Gupta	6,000	8,000	2,000	16,000
3	K. L. Gupta	10,000	8,000	2,000	20,000

**4. General Board Meeting**

The details for the date, time and venue for the last 3 Annual General Meetings are as under:

Year	Date	Time	Venue	Special Resolution Passed
2010-11	29.07.2011	10.30AM	Hotel Conclave, A-20, Kailash Colony, New Delhi-110048.	NIL
2011-12	28.09.2012	11.30AM	Hotel Impress, A – 25, Kh. No. 393, Mahipalpur, Near N.H. – 8, Vasant Kunj Road, New Delhi – 110 037.	<ul style="list-style-type: none">• For Preferential Allotment.• For Re-Issue of Forfeited Equity Shares.
2012-13	23.09.2013	11.00AM	Hotel Conclave, A-20, Kailash Colony, New Delhi-110048.	<ul style="list-style-type: none">• For Re-appointment of Mr. Pramod Khandelwal as Managing Director of the Company and re-fixation of his remuneration.• For Re-appointment of Mr. R. C Khandelwal as Whole Time Director of the Company and re-fixation of his remuneration.

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

Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year ended 31st March, 2014. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

5. Disclosures

Accounting Treatment in preparation of Financial Statements : The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

Related Party Transaction : During the financial year 2013-14, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

Statutory Compliance, Penalties and Strictures: The Company has complied with the requirements of the Stock Exchanges/SEBI/and Statutory Authority on all matters related to Capital Markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

CEO Certification : The certificate required under clause 49(V) of the Listing Agreement duly signed by the Managing Director was placed before the Board and the same is also provided with this report.

Compliance with the mandatory requirements of Clause 49 of the Listing Agreement : The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Agreement. The Company has also obtained a certificate affirming the compliances from M/s Jaspinder Singh & Associates, Company Secretaries, and the same is attached to this Report.

Compliance with non-mandatory Requirements

- The Company follows the guidelines as recommended from time to time by Institute of Company Secretaries of India. One such instance is the adoption of Secretarial Standards in respect to Preparation and Recording of Minutes and other Statutory Records and Registers.
- The Board has already set up a Remuneration Committee, the details whereof are furnished already in this Report.
- The Company has adopted a Whistle Blower Policy as mentioned below:

**6. Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's conduct or Ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

7. Means of Communications

- (i) The quarterly, half-yearly and annual results are published in Financial Express and Jansatta.
- (ii) The Company's Results and other Corporate Announcements are regularly sent to the Bombay Stock Exchange Limited (BSE), Mumbai.
- (iii) The results are also posted on the Company's Website www.mcil.net
- (iv) These Results are not sent individually to the Shareholders.
- (v) All price sensitive information is immediately informed to Stock Exchanges before the same is communicated to general public through press releases, if any.
- (vi) Management Discussion and Analysis forms part of this Annual Report.

8 Code of Conduct

The Board has laid down a code of conduct for all Board Members and senior management of the Company. All Board members and senior management, that includes company executives who report directly to the Chairman and executive directors, have affirmed their compliance with the said code. A declaration signed by Mr. Pramod Khandelwal, Managing Director, to this effect is provided here below.

9. Declaration for Code of Conduct

I, Pramod Khandelwal, Managing Director of the Company, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct as laid down by the Board of Directors in terms of Clause 49 of the listing Agreement with the Bombay Stock Exchange Limited for the year ended March 31, 2014.

For **Metal Coatings (India) Limited**

Date : 13.08.2014
Place : New Delhi

Pramod Khandelwal
Managing Director

10. General Shareholders Information

Annual General Meeting is proposed to be held on Tuesday on 23rd September, 2014 at 10.30 a.m. at Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065

Financial Year**Financial Calendar (tentative)**

Results for the quarter ending June 30, 2014
Results for the quarter ending September 30, 2014
Results for the quarter ending December 31, 2014
Results for the Year ending March 31, 2015
Annual General Meeting

April to March

2nd week of August, 2014
2nd week of November, 2014
2nd week of February, 2015
4th week of May, 2015
September, 2015

Date of book closure

The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 20th September, 2014 to Tuesday 23rd September, 2014 (both days inclusive) for the purpose of AGM and Dividend.

Dividend payment date

Between 29th September, 2014 to 20th October, 2014

Listing on Stock Exchange

The equity shares of the Company are listed at - BSE Ltd. and the Stock Code is 531810.

**Market Information;**

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

(In Rupees)

Month / year	BSE	
	High	Low
April – 2013	20.80	20.80
May – 2013	22.05	21.00
June –2013	23.10	23.10
July – 2013	No Trade	No Trade
Aug – 2013	26.15	21.95
Sep – 2013	28.50	27.00
Oct – 2013	29.50	28.25
Nov – 2013	30.70	28.05
Dec – 2013	No Trade	No Trade
Jan – 2014	26.65	17.50
Feb – 2014	17.50	15.45
Mar – 2014	17.00	17.00

Registrar & Share Transfer Agent : M/s Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase - I, Near PVR Cinema, New Delhi - 110028
Phone No. 011-41410592-93-94, Fax No. 011-41410591

Dematerialization of Shares and Liquidity

As trading in shares of the Company can be done only in electronic form, it is advisable that the Shareholders who have shares in physical form get their shares dematerialized.

Share Transfer System

Transfer of dematerialized shares is done through depositories and the Registrar and Share Transfer Agents. The Transfer of shares is reviewed by the Stakeholders Relationship Committee of the Board of Directors of the Company on periodical basis.

As regards transfer of shares held in physical form the transfer documents can be lodged with Registrar and Share Transfer Agents at the above mentioned address. Transfer of shares in physical form is normally processed within 15 days from the date of receipt, if the documents are complete in all respects. Certain Directors, Compliance officer and the Company Secretary are severally empowered to approve transfers.

(a) Distribution of Shareholding as on 31st March, 2014

Category	No. of Shareholders	No. of Shares held	Percentage of total shares
1 to 2500	642	244710	0.33
2501 to 5000	138	644620	0.88
5001 to 10000	111	951320	1.30
10001 to 20000	53	876380	1.20
20001 to 30000	34	864980	1.18
30001 to 40000	9	340980	0.47
40001 to 50000	13	608980	0.83
50001 to 100000	19	1442160	1.97
100001 & Above	32	67293870	91.84
TOTAL	1051	73268000	100.00

(b) Categories of Shareholders as on 31st March, 2014

Category	No. of Equity Shares	% to paid-up Capital
Shareholding of Promoter and Promoter Group	4296093	58.64
Public Shareholding	3030707	41.36
Shares held by Custodians and against which depository receipt have been issued	—	—
TOTAL	7326800	100.00



Dematerialisation of Shares	:	76.20% Equity Shares (55,83,090 Equity Shares) have been dematerialised upto 31st March, 2014.
Liquidity	:	The Company's Shares are traded on BSE Ltd., Mumbai.
Plant Location	:	1. Sector – 45, Meola Maharajpur, Faridabad-121003. 2. Plot No. 113, Sector – 59, HSIIDC Indl. Estate, Faridabad-121004.
Address for Correspondence	:	Regd. Office: 912, Hemkunt Chambers, 89, Nehru Place, New Delhi — 110 019.

Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance

To

The members of **Metal Coatings (India) Limited**,

We have examined the compliance of conditions of Corporate Governance by Metal Coatings (India) Limited ("MCIL"), for the year ended 31st March, 2014, as stipulated in clause 49 of listing agreement of "MCIL" with the stock exchange .

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the company, for ensuring 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 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 the clause 49 of the above-mentioned Listing Agreement.

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

**For Jaspinder Singh Associates
Company Secretaries**

**Date : 13.08.2014
Place: New Delhi**

**Jaspinder Singh
(Proprietor)
CP No.: 30991**

CEO/CFO CERTIFICATION AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

I, Pramod Khandelwal, Managing Director of **METAL COATINGS (INDIA) LIMITED**, to the best of my knowledge and belief, certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March 2014 and to the best of my knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems pertaining to financial reporting. Deficiency in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d. I have indicated, wherever applicable, to Auditors and the Audit Committee:
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes of the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Metal Coatings (India) Limited

Date : 13.08.2014
Place : New Delhi

**Pramod Khandelwal
Managing Director**



INDEPENDENT AUDITORS' REPORT

**To the Members of
METAL COATINGS (INDIA) LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **METAL COATINGS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the **Company** in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014;
 - b. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(1A) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;



- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For VINOD KUMAR & ASSOCIATES
Chartered Accountants
(Firm Registration No. 002304N)**

**Date : 30 May, 2014
Place : New Delhi**

**(AASTHA JAIN)
Partner
Membership No. : 519915**

ANNEXURE REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets;
- b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on physical verification as confirmed by the management.
- c) According to the information and explanations given to us, no substantial part of fixed assets has been disposed of by the company during the year.
- ii) a) As explained to us, the inventories except goods-in-transit were physically verified during the accounting period by the Management at reasonable intervals.
- 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 were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) The Company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) In view of (a) above, sub clauses (b) to (d) of Paragraph 4(iii) of Companies (Auditor's Report) Order, 2003 are not applicable.
- c) The Company has not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- d) In view of (c) above, sub clause (f) and (g) of paragraph 4(iii) of Companies (Auditor's Report) Order, 2003 are not applicable.
- iv) 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 with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of audit no major weakness has been noticed in the internal control system in respect of these areas.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transaction have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.



- vi) In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder apply.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 in respect of products of 'the company' covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- vi) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of aforesaid dues, which were outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.
 - b) There are no dues of sales tax, wealth tax, service tax, custom duty, excise duty, cess and income tax which have not been deposited on account of any dispute. In respect of income tax, an appeal is pending before the Honorable High Court, but the amount involved has already been deposited, pending disposal of appeal.
- vii) The company does not have accumulated loss at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- viii) Based on our examination of books of account and according to information and explanations given to us, the Company has not defaulted in the payment of dues to a financial institution or bank. The Company has not issued any debentures.
- ix) Based on our examination of books of account and according to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- x) The Company is not a chit fund or nidhi /mutual benefit fund /society.
- xi) The Company is not dealing in or trading in shares, securities and other investments. Accordingly, the provisions of clause (xiv) of the paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xii) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xiii) Based on our examination of books of accounts and according to the information and explanation given to us, we are of the opinion that the term loans have been applied for the purpose for which they were raised.
- xiv) The company has not raised funds on short-term basis and accordingly clause (xvii) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- xv) The Company has not made any preferential allotment of shares during the year under audit.
- xvi) The Company has neither issued nor have any Debentures outstanding during the year.
- xvii) The Company has not raised any money by public issues during the year.
- xviii) Based on our examination of the books of account and in accordance with the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of the year.

For VINOD KUMAR & ASSOCIATES
Chartered Accountants
(Firm Registration No. 002304N)

Date : 30 May, 2014
Place : New Delhi

(AASTHA JAIN)
Partner
Membership No. : 519915

**BALANCE SHEET AS AT 31ST MARCH, 2014***(Rs. in Lacs)*

Particulars	Note No.	As at 31.03.2014		As at 31.03.2013	
<u>EQUITY AND LIABILITIES</u>					
Shareholders' funds					
(a) Share capital	1	732.68		732.68	
(b) Reserves and surplus	2	1383.72	2116.40	1287.81	2020.49
Non-current liabilities					
Long-term borrowings	3	18.19		15.40	
Deferred tax liabilities (net)	4	71.43		62.29	
Long-term provisions	5	48.97	138.59	50.95	128.64
Current liabilities					
Short-term borrowings	6	1611.44		1370.84	
Trade payables	7	2.30		5.34	
Other current liabilities	8	128.81		122.95	
Short-term provisions	9	111.59	1854.14	37.74	1536.87
TOTAL			4109.13		3686.00
<u>ASSETS</u>					
Non-current assets					
Fixed assets	10	845.05		683.88	
Non-current investments	11	300.00		300.00	
Long Term Loans & Advances	12	12.61	1157.66	7.36	991.24
Current assets					
Inventories	13	782.70		722.69	
Trade receivables	14	1904.22		1722.61	
Cash and cash equivalents	15	119.38		114.67	
Short-term loans and advances	16	145.17	2951.47	134.79	2694.76
TOTAL			4109.13		3686.00
Significant Accounting Policies and Notes on Financial Accounts	1 to 30				

In terms of our annexed report of even date.

For **VINOD KUMAR & ASSOCIATES**

Chartered Accountants

FRN No. 002304N

(AASTHA JAIN)

Partner

Membership No. 519915

Date : 30.05.2014

Place : New Delhi

For and on behalf of the Board

(R. C. KHANDELWAL)

Chairman

(PRAMOD KHANDELWAL)

Managing Director

(ANU KUMARI)

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR
ENDED 31ST MARCH, 2014***(Rs. in Lacs)*

Particulars	Note No.	For the Year ended 31.03.2014	For the year ended 31.03.2013
INCOME			
Revenue from operations (Gross)	17	12204.31	11282.95
Less : Excise Duty		1271.17	1174.94
Revenue from operations (Net)		10933.14	10108.01
Other Income	18	56.46	52.28
Total revenue		10989.60	10160.29
EXPENDITURE			
Cost of materials consumed	19	8787.40	8264.54
Changes in inventories of finished goods & stock-in-progress	20	(3.25)	(69.51)
Employee benefits expense	21	270.98	250.82
Finance costs	22	177.11	205.60
Depreciation and amortisation expense	23	72.50	62.31
Other expenses	24	1428.48	1225.03
Total expenses		10733.22	9938.79
Profit Before Tax		256.38	221.50
Tax Expenses			
Current Tax		72.45	77.49
Wealth Tax		—	0.14
Tax adjustments relating to previous year		(6.84)	4.15
Deferred Tax		9.14	(0.01)
Profit for the year		181.63	139.73
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted (in Rs.)	25	2.48	2.51
Significant Accounting Policies and Notes on Financial Accounts	1 to 30		

In terms of our annexed report of even date.

For **VINOD KUMAR & ASSOCIATES**

Chartered Accountants

FRN No. 002304N

(AASTHA JAIN)

Partner

Membership No. 519915

Date : 30.05.2014

Place : New Delhi

For and on behalf of the Board

(R. C. KHANDELWAL)

Chairman

(PRAMOD KHANDELWAL)

Managing Director

(ANU KUMARI)

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014
(CLAUSE 32 OF LISTING AGREEMENT)

(Rs. in Lacs)

Particulars	For the Period ended 31.03.2014	For the Period ended 31.03.2013
A. Cash flow from Operating Activities :		
Net Profit before taxes and Extraordinary Items	256.38	221.50
Adjustment for		
Depreciation	72.50	62.31
Interest paid	163.87	190.15
Operating profit before working capital changes	492.75	473.96
(Increase)/Decrease in Sundry Debtors	(181.61)	(400.09)
(Increase)/Decrease in Inventories	(60.01)	230.97
(Increase)/Decrease in Loans & Advances	(15.63)	1.61
Increase/(Decrease) in Current Liabilities	3.07	20.20
Increase/(Decrease) in Short & Long term provisions	(13.85)	(53.86)
Cash generated from operations	224.72	272.79
Interest paid	(159.72)	(184.80)
Extraordinary Items:		
Tax and Interest on tax paid for earlier year	6.84	(4.15)
Tax Paid	(72.45)	(77.63)
Net cash from operating activities	(0.61)	6.21
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	(240.38)	(46.35)
Proceeds from sales of Fixed Assets	6.71	0.63
Proceeds from sales of Investment	—	—
Purchase of investments	—	—
Net cash from Investing Activities	(233.67)	(45.72)
C. Cash flow from Financing Activities		
Proceeds from new borrowings	—	—
Repayment of interest on car Loan	(4.15)	(5.36)
Proceeds from preferential issue of shares	—	359.49
Repayment of borrowing	243.14	(293.10)
Net cash from Financing Activities	238.99	61.03
Net cash flows during the year (A+B+C)	4.71	21.52
Cash and cash equivalents (Opening balance)	114.67	93.15
Cash and cash equivalents (Closing balance)	119.38	114.67

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 : 30.05.2014
Place : New Delhi

(PRAMOD KHANDELWAL)
Managing Director

**Significant Accounting Policies and Notes to Accounts****Corporate Information**

Metal Coatings (India) Limited (the 'Company') was incorporated in India as a limited company under the Companies Act, 1956 on 12 December, 1994. The company is listed in Bombay Stock Exchange. The Company commenced its operations on 9 February, 1995 and is engaged in the manufacture and sale of Cold Rolled Steel Coils / Strips, H.R. Pickled & Oiled Coils / Strips .

Significant Accounting Policies**a. Basis of accounting**

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

All assets and Liabilities have been classified as current or non-current as per the criteria set out in Revised Schedule VI to the Company Act, 1956.

b. Use of Estimates

The preparation of financial statements are in conformity with the India GAAP, which requires the management to make judgments, estimates, and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of reporting period. Although these estimates are based upon management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring any adjustments to the carrying amount of assets or liabilities in future period.

c. Fixed Assets

Fixed assets (gross block) are stated at Historical Cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation/amortisation

Depreciation on fixed assets is provided on the straight line method at the rates which are based on economic useful lives of these assets and as are prescribed under Schedule XIV of the Companies Act, 1956. Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

e. Inventories

Inventories are valued at the lower of cost or net realizable value. In respect of Raw Material, the cost is determined using the First-in, First-out Method. In respect of Finished Goods and Stock in Progress, the cost includes manufacturing expense and appropriate portion of overheads. Scrap is valued at net realisable value.

f. Revenue recognition

Revenue is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyers for a consideration. Sale of goods is exclusive of Value Added Tax and inclusive of Excise duty. All other income has been accounted for on accrual basis except for those income stipulated for recognition on realization basis on the ground of uncertainty under AS-9.

g. Income taxes

Income tax comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one year and are capable of reversal, subject to consideration of prudence, in one or more subsequent years. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

**h. Employee Benefits****a. Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

b. Long term employee benefits**• Provident fund and other state plans**

Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the profit and loss account during the year in which the employee renders the related service.

• Gratuity

The Company provides for gratuity, a defined benefit retirement plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.

• Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilized accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

i. Earnings per share

The Company reports basic earnings per equity share in accordance with AS-20, Earnings per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

j. Contingencies/ Provisions

Provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

k. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is recognized if it is other than temporary.

l. Foreign Exchange Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

k. Lease hold improvements

The company has taken a piece of land on lease at Meola Maharajpur. The company had constructed a building on the said land as a factory. The amount spent by the company on the construction has been appropriately included under the head "Lease hold improvement" in Fixed Assets schedule.

**Notes on Financial Statements for the year ended 31st March, 2014**

(Rs. in lacs)

	As at 31.03.2014	As at 31.03.2013
1. SHARE CAPITAL		
Authorised Capital		
80,00,000 (Previous Year 80,00,000) Equity Shares of Rs. 10/- each.	800.00	800.00
Issued, Subscribed & Paid up Capital		
73,26,800 (Previous Year 73,26,800) Equity Shares of Rs. 10/- each.	732.68	732.68

1.1 The details of Shareholders holding more than 5% shares :

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
a Khandelwal Galva Strips Pvt. Ltd.	1414200	19.30	1414200	19.30
b Pramod Khandelwal	1064285	14.52	918100	12.53
c R C Khandelwal	1043858	14.25	891300	12.16
d Microne Texfab Private Limited	490000	6.69	600000	8.19
e Lehartechnologies.Com Pvt. Limited	501752	6.85	501752	6.85
f Bondwell Financial Services (P) Ltd.	441100	6.02	441100	6.02
	4955195	67.63	4766452	65.06

1.2 The reconciliation of the number of shares outstanding is set out below

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	7326800	5026800
Add : Shares issued	—	2300000
Less : Shares bought back	—	—
Equity Shares at the end of the year	7326800	7326800

1.3 Rights, preference and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.

The dividend proposed by the board of directors are subject to shareholders approval in ensuing AGM except in case of interim dividend.

In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amount in proportion to their shareholding.

(Rs. in lacs)

	As at 31.03.2014	As at 31.03.2013
2. RESERVE & SURPLUS		
Surplus in statement of Profit & Loss		
Balance at the beginning of the year	1119.92	980.19
Add: Profit for the year	181.63	139.73
Less : Appropriations		
Less : Proposed Dividend with tax there on	73.27	—
Less : Dividend distribution tax	12.45	—
	1215.83	1119.92
General Reserve		
As per last Balance Sheet	26.16	26.16
Add: Addition during the year	—	26.16
Security Premium		
As per last Balance Sheet	135.59	6.10



(Rs. in lacs)

		As at 31.03.2014		As at 31.03.2013
Add: Addition during the year	—	135.59	129.49	135.59
Capital Reserve				
As per last Balance Sheet	6.14		6.14	
Add: Addition during the year	—	6.14	—	6.14
Total		1383.72		1287.81
3. LONG TERM BORROWINGS				
3.1 Secured				
Car Loan from Bank (Secured against hypothecation of Motor Vehicles purchased out of such loan) Loan of Rs. 103.61 lacs (Canara Bank-7.73 lacs, ICICI Bank-63.88 lacs and BMW Financial Services-32.00 lacs) repayable in 60, 35 and 36 installments respectively. Current outstanding balance amounting to Rs. 42.41 lacs out of which installments payable with in next one year is Rs. 24.21 lacs classified as current liability carrying interest rate of 10.30% p.a. in case of ICICI Bank ,12% p.a. in case of Canara Bank and 8.33% p.a. in case of BMW Financial Services.	18.19	18.19	15.40	15.40
4. DEFERRED TAX LIABILITY (NET)				
Opening as per last Balance Sheet	62.29		62.30	
Addition during the year	9.14		—	
Reduction during the year	—		0.01	
Closing Balance as at Balance Sheet date (Deferred Tax has been recognised on account of timing differences due to depreciation , provision for Gratuity and Leave Encashment.)		71.43		62.29
5. LONG TERM PROVISIONS				
Gratuity	43.21		44.88	
Earned Leave	5.76	48.97	6.07	50.95
6. SHORT TERM BORROWINGS				
Secured				
Working Capital Limit from Bank (Secured against hypothecation of book debts, inventories and by way of mortgage of land, buildings and Plant & Machinery. Current rate of Interest 12.45% p.a.). This is also secured by personal guarantee of whole time directors.		1611.44		1370.84
7. TRADE PAYABLES				
Micro, Small and Medium Enterprises Payable with in operating Cycle	—	2.30	—	5.34
8. OTHER CURRENT LIABILITIES				
Current maturity of long term debts*	24.21		24.46	
Interest accrued but not due on borrowings	0.05		0.15	
Unclaimed Dividend	10.37		12.88	
Payable in respect of statutory dues	18.67		13.03	
Advance received from customers	37.27		30.04	
Employee Benefits Payable	26.78		17.39	
Other Payables	11.46	128.81	25.00	122.95

* : This amount relates to instalment of secured term loan payable with in next twelve months. This is secured against hypothecation of Motor Vehicels purchased out of such loan.



(Rs. in lacs)

	As at 31.03.2014		As at 31.03.2013	
9. SHORT TERM PROVISIONS				
Gratuity	22.66		19.90	
Earned Leave	2.89		2.55	
Provision for wealth tax	0.32		0.14	
Proposed Dividend on Equity Shares	73.27		—	
Dividend Distribution Tax	12.45		—	
Provision for Income Tax (Net of Advance Tax and TDS)	—	111.59	15.15	37.74

10. FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2013	Additions	Sold/ Discarded	Total as on 31.03.2014	Total as on 01.04.2013	For the period ended 31.03.2014	Dep. on discarded assets	Total as on 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land	81.87	—	—	81.87	—	—	—	—	81.87	81.87
Buildings	358.65	74.00	—	432.65	114.63	14.34	—	128.97	303.68	244.02
Leasehold Improvements	15.50	—	—	15.50	5.27	0.50	—	5.77	9.73	10.23
Plant & Machinery	1029.27	122.11	73.09	1078.29	767.12	43.84	70.06	740.90	337.39	262.15
Motor Vehicles	133.30	41.86	26.33	148.83	51.80	12.98	22.65	42.13	106.70	81.50
Furniture, Fixtures	1.48	1.50	—	2.98	1.28	0.07	—	1.35	1.63	0.20
Office Equipment	5.25	0.92	—	6.17	3.11	0.27	—	3.38	2.79	2.14
Computers	4.05	—	—	4.05	2.28	0.51	—	2.79	1.26	1.77
Total	1629.37	240.39	99.42	1770.34	945.49	72.51	92.71	925.29	845.05	683.88
Previous year	1593.22	46.35	10.20	1629.37	892.76	62.30	9.57	945.49	683.88	700.46

(Rs. in lacs)

	As at 31.03.2014		As at 31.03.2013	
--	---------------------	--	---------------------	--

11. NON-CURRENT INVESTMENT

In Equity Shares of Associate Company (Unquoted, fully paid up)
1,50,000 Share of Kochar Agro Industries (Pvt.) Ltd.
of Rs.10 each at a premium of Rs. 190/Share

300.00	300.00
--------	--------

12. LONG TERM LOANS & ADVANCES

Security Deposits	7.61		7.36	
Capital Advances	5.00	12.61	—	7.36

13. INVENTORIES

Raw Materials	283.36		226.85	
Stores & Spares	16.70		16.46	
Stock in Process	357.75		402.26	
Scrap Material	6.64		6.27	
Finished Goods	118.25	782.70	70.85	722.69

14. TRADE RECEIVABLES

(Unsecured and considered good)

Over six months from the due date	41.59		41.59	
Others	1862.63	1904.22	1681.02	1722.61

**(Rs. in lacs)**

	As at		As at	
	31.03.2014		31.03.2013	
15. CASH AND CASH EQUIVALENTS				
Cash in hand	8.79		8.42	
Balance with Banks	0.31		0.48	
Other Bank Balances				
– Unclaimed Dividend (current account)	10.37		12.88	
– Fixed Deposits*	99.91	119.38	92.89	114.67
* : Pledged with bank against CC limits and margin money				
16. SHORT TERM LOANS AND ADVANCES				
(Unsecured and considered good)				
Balance with Government Authorities	23.18		42.03	
Advance to Employees	10.54		2.62	
Prepaid Expenses	2.11		1.27	
Others *	109.34	145.17	88.87	134.79
* Others include advance to suppliers of Rs. 79.85 lacs. (Previous Year - 57.17 lacs)				

(Rs. in lacs)

	For the Year Ended		For the Year Ended	
	31.03.2014		31.03.2013	
17. REVENUE FROM OPERATIONS				
Sale of Products	11770.16		10846.95	
Other operating revenues	434.15	12204.31	436.00	11282.95
18. OTHER INCOME				
Dividend from Long Term Investment	—		1.50	
Rent	24.00		24.00	
Bad Debts Recovered	16.00		18.31	
Interest Income	12.31		7.70	
Other non-operating income	4.15	56.46	0.77	52.28
19. COST OF MATERIALS CONSUMED				
H. R. Coils	8563.14		7769.13	
Wire Rods & Rounds	224.26	8787.40	495.41	8264.54
20. CHANGE IN INVENTORIES OF FINISHED GODDS & STOCK IN PROCESS				
Inventories (Closing)				
Finished Goods	124.89		77.13	
Stock-in-process	357.75	482.64	402.26	479.39
Inventories (Opening)				
Finished Goods	77.13		66.62	
Stock-in-process	402.26	479.39	343.26	409.88
(Increase) / Decrease in Inventory		(3.25)		(69.51)
21. EMPLOYEE BENEFITS EXPENSES				
Salaries and Wages	248.12		226.56	
Contribution to Provident and other funds	15.78		14.40	
Staff welfare expenses	7.08	270.98	9.86	250.82



(Rs. in lacs)

	For the Year Ended 31.03.2014		For the Year Ended 31.03.2013	
a) Reconciliation of opening and closing balance of defined benefit obligation				
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Obligation at beginning of year	64.77	8.61	47.08	21.13
Current service cost	4.07	0.87	4.28	0.87
Interest cost	5.83	0.78	3.75	1.68
Actuarial (gain) / loss	(7.63)	2.06	9.66	2.44
Benefits paid	(1.17)	(3.67)	—	17.51
Obligation at year end	65.87	8.65	64.77	8.61
b) Experience Adjustment				
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Experience Adjustment (Gain) / loss for Plan liabilities	-3.23	2.66	6.64	15.47
Experience Adjustment (Gain) / loss for Plan assets	—	—	—	—
c) Actuarial assumptions				
Discount rate (per annum)	9.00%	9.00%	8.00%	8.00%
Salary growth rate (per annum)	8.25%	8.25%	8.25%	8.25%
Withdrawal rate (per annum)	2.00%	2.00%	2.00%	2.00%
Mortality	IALM-2006- 08 Ultimate	IALM-2006- 08 Ultimate	LIC-1994- 96 Ultimate	LIC-1994- 96 Ultimate
22. FINANCE COST				
Interest	163.87		190.15	
Bank Charges	13.24	177.11	15.45	205.60
23 DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation	72.50	72.50	62.31	62.31
24 OTHER EXPENSES				
Manufacturing expenses				
Stores & Spares	217.51		199.24	
Power & Fuel	701.95		607.35	
Job Work Charges	72.18		65.06	
Repair to Machinery	211.79		174.68	
Repair to Building	4.13	1207.56	2.22	1048.55
Selling and Distribution Expenses				
Distribution Expenses		53.59		42.42
Administrative & Miscellaneous Expenses				
Bad Debts written off	54.80		48.78	
Insurance	2.06		1.51	
Payment to Auditors	5.71		4.34	
Professional Fee	9.23		12.84	
Rates & Taxes	4.90		8.91	
Rent	14.82		15.86	
Travelling, Vehicle Running & Maintenance Expenses	12.51		15.48	
Cash Discount	13.91		—	
Excise Duty Expenses	14.01		2.00	
Miscellaneous Expenses	35.38	167.33	24.34	134.06
TOTAL		1428.48		1225.03



(Rs. in lacs)

	For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
24.1 PAYMENT TO AUDITORS (EXCLUSIVE OF SERVICE TAX) AS :		
Audit Fees (Includes audit fees of quarterly review)	4.55	3.30
Tax Audit Fees	0.95	0.75
Fees for Certification and others	0.21	0.29
TOTAL	5.71	4.34
25. EARNING PER SHARE (EPS)		
i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs)	181.63	139.73
ii) No. of Shares used as denominator for calculating EPS	7326800	5556115
iii) Basic and Diluted Earning per share (Rs)	2.48	2.51
iv) Face Value per equity share (Rs.)	10.00	10.00
26. Foreign Exchange Earning and Expenditure		
Export of goods manufactured	—	—
27. As per information available with the company, none of its creditors comprises micro, small and medium enterprises as defined under MSMED Act, 2006 which comprise amounts outstanding for more than 45 days as at Balance Sheet date. Based on the information available with the company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is Rs. NIL (Previous year Rs. NIL) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.		

28. Related Party Disclosure

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 accounting year ended 31.03.2014	Outstanding as on 31.03.2014	Payable (P) Receivable (R)	Written off During accounting Year ended 31.03.2014
Mr. Vinay Khandelwal	Son of Mr. A. P. Khandelwal, Director and Brother of Mr. Pramod Khandelwal, Director	Rent	0.36 (0.36)	— (—)	— (—)	Nil (Nil)
M/s Kochar Agro Industries Pvt. Ltd.	Associate Company	Sales	564.27 (653.54)	— (—)	— (—)	Nil (Nil)
		Purchases	6.81 (19.26)	— (—)	— (—)	Nil (Nil)
		Job Work	19.67 (0.46)	— (—)	— (—)	Nil (Nil)
		Rent	24.00 (24.00)	— (—)	— (—)	Nil (Nil)
		Dividend	— (1.50)	— (—)	— (—)	Nil (Nil)
		Investment	— (—)	300.00 (300.00)	— (—)	Nil (Nil)
M/s SWD Industries	Associate Firm in which Mr. A. P. Khandelwal and Mr. R.C. Khandelwal Directors are partners	Sales	2.06 (1.11)	2.06 (—)	(R) (—)	Nil (Nil)
Mr. R. C. Khandelwal	Chairman	Remuneration	22.50 (15.00)	7.50 (—)	P (—)	Nil (Nil)
		Employees Benefits	0.58 (4.65)	— (—)	— (—)	Nil (Nil)
		Other Liability	— (30.00)	— (—)	— (—)	Nil (Nil)
		Share Capital	— (78.00)	— (—)	— (—)	Nil (Nil)



Name of related Party	Description of relationship with the party	Nature of transactions	Value of transaction for the accounting year ended 31.03. 2014	Outstanding as on 31.03.2014	Payable (P) Receivable (R)	Written off During accounting Year ended 31.03.2014
Mr. Pramod Khandelwal	Managing Director	Remuneration	30.00 (30.00)	— (—)	— (—)	Nil (Nil)
		Share Capital	— (78.00)	— (—)	— (—)	Nil (Nil)
Mr. A. P. Khandelwal	Director	Remuneration	15.00 (15.00)	— (—)	— (—)	Nil (Nil)
		Employees Benefits	0.58 (2.88)	— (—)	— (—)	Nil (Nil)
Mr. V. K. Hajela	Director	Sitting Fee	0.18 (0.22)	— (—)	— (—)	Nil (Nil)
Mr. K. L. Gupta	Director	Sitting Fee	0.20 (0.18)	— (—)	— (—)	Nil (Nil)
Mr. S. K. Gupta	Director	Sitting Fee	0.16 (0.20)	— (—)	— (—)	Nil (Nil)

29. CONTINGENT LIABILITIES AND COMMITMENTS :

The HSIIDC 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. Also, there might be resultant liability in the nature of interest.

30. The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.



METAL COATINGS (INDIA) LIMITED

CIN:L74899DL1994PLC063387

Regd. Office : 912, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110019

Tel No: 011-41808125, **Email Id:** info@mcilindia.net, **Website:** www.mcil.net

ATTENDANCE SLIP

Registered Folio/ DP ID & Client ID	
No. of Shares held	
Name and Address of the Shareholder	

1. I hereby record my presence at the 20th Annual General Meeting of the Company being held on Tuesday, the 23rd September, 2014 at 10.30 a.m. at Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065.
2. Signature of the Shareholder/Proxy Present
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.



METAL COATINGS (INDIA) LIMITED

CIN:L74899DL1994PLC063387

Regd. Office : 912, Hemkunt Chambers, 89, Nehru Place, New Delhi - 110019

Tel No: 011-41808125, Email Id: info@mcilindia.net, Website: www.mcil.net

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :	
Registered address :	
E-mail Id:	
Folio No/ DP Id /Client Id :	

I/We, being the member (s) ofshares of the above named company, hereby appoint :

- Name :Address
E-mail Id :Signature:.....or failing him
- Name :Address
E-mail Id :Signature:.....or failing him
- Name :Address
E-mail Id :Signature:.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual general meeting of the company, to be held on the 23rd day of September 2014 at 10.30 a.m. at Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject Matter of the Resolution	Optional**	
		For	Against
Ordinary Business			
1	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014.		
2	Re-appointment of Mr. A. P. Khandelwal, who retires by rotation.		
3	Declaration of Dividend for the year 2013-14 on Equity Shares.		
4	Appointment of Auditors and fix their remuneration.		
Special Business			
5	Ratification of Remuneration Cost Auditor.		
6	Appointment of Mr. Virendra Kumar Hajela as an Independent Director.		
7	Appointment of Mr. Satish Kumar Gupta as an Independent Director.		
8	Appointment of Ms. Neha Gupta as an Independent Director.		
9	Re-fixation of Remuneration of Mr. Pramod Khandelwal.		
10	Re-fixation of Remuneration of Mr. R. C. Khandelwal.		
11	Adoption of new Articles of Association of the Company.		

Signed this.....day of.....2014

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Re. 1 Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twentieth Annual General Meeting of the Company.

