



21<sup>ST</sup>  
ANNUAL REPORT 2014-15

**METAL COATINGS (INDIA) LIMITED**



## CORPORATE INFORMATION

<b>DIRECTORS</b>	<b>R. C. Khandelwal</b> <b>Pramod Khandelwal</b> <b>A. P. Khandelwal</b> <b>V. K. Hajela</b> <b>S.K. Gupta</b> <b>Neha Gupta</b>	Chairman of the Board Managing Director Whole-Time Director Independent Director Independent Director Independent Director
<b>AUDITORS</b>	<b>Vinod Kumar &amp; Associates</b> Chartered Accountants 909, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019	
<b>BANKERS</b>	<b>Canara Bank</b> 36-37, Community Centre, East of Kailash, New Delhi-110 065	
	<b>The Hongkong and Shanghai Banking Corporation Ltd.</b> 25, Barakhamba Road, New Delhi-110 001	
<b>REGISTERED OFFICE</b>	912, Hemkunt Chambers, 89, Nehru Place, New Delhi -110019 CIN: L74899DL1994PLC063387 Tel No: 011-41808125 Email Id: info@mcilindia.net Website: www.mcil.net	
<b>WORKS</b>	(i) Sector – 45, Meola Maharajpur, Faridabad – 121003.  (ii) Plot No. 113, HSIIDC Industrial Estate, Sector – 59, Faridabad – 121004.	

<b>21<sup>ST</sup> ANNUAL GENERAL MEETING</b>	
Day	: Monday
Date	: 24 <sup>th</sup> August, 2015
Time	: 10.30 a.m.
Venue	: Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065

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**DIRECTORS' REPORT**

To

The Members,

The Directors of your Company have pleasure in presenting their **Twenty First Annual Report** of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2015.

**FINANCIAL RESULTS**

(Rs. in lacs)

<b>Particulars</b>	<b>For the year ended 31.3.2015</b>	<b>For the year ended 31.3.2014</b>
Total Revenue	11461	10990
Operating Profit	483	506
Depreciation	77	73
Finance Cost	199	177
Provision for Tax & Adjustments	66	74
<b>Net Profit</b>	<b>141</b>	<b>182</b>

**PERFORMANCE REVIEW / STATE OF AFFAIRS OF THE COMPANY**

During the year under review, the Company registered a modest increase in total revenue to 11,461 Lacs, up from 10,990 lacs in the previous year. The increasing cost however kept the profitability under pressure which led to a decline in the profits of the Company.

The Company continues to embrace sustainability as a critical pillar of its business strategy with increased use of alternative energy source with an eye on both cost as well as environmental concern. Significant steps to reduce environmental pollution such as use of natural gas in place of fuel oils were taken during the year, besides identifying more such projects in the coming years.

**MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report during the year under review.

**CHANGE IN THE NATURE OF BUSINESS**

During the year, there was no change in the nature of business of the Company.

**DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 1.00 per equity share for the year ended 31.03.2015. The dividend, subject to approval of Members at the ensuing Annual General Meeting, 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 Monday, 17<sup>th</sup> day of August, 2015. The dividend payout will be Rs. 87.92 lacs including dividend distribution tax of Rs. 14.65 Lacs.

**RESERVES & SURPLUS**

The Company doesn't propose to transfer any amount into the general reserve. The entire amount of Rs. 141 Lacs is proposed to be retained in the surplus.

**BOARD OF DIRECTORS**

Mr. R.C. Khandelwal, Director of the Company, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

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

Ms. Neha Gupta was appointed as Additional Independent Director of the Company w.e.f. 13<sup>th</sup> August, 2014 and the same was regularised by the shareholders of the Company in the 20<sup>th</sup> Annual General Meeting held on 23.09.2014.



### **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of Companies Act, 2013 and rules made thereunder, Mr. R.A. Sharma, has been designated as Chief Financial Officer of the Company w.e.f 13.08.2014 and Ms. Rupali Aggarwal, has been designated as Company Secretary & Compliance Officer of the Company w.e.f. 09.03.2015.

Ms. Anu Kumari (Company Secretary) has resigned from the services of the Company, effective from 01<sup>st</sup> November, 2014 and in her place Mr. Niraj Kumar Jha was appointed as Company Secretary of the Company with effect from 01<sup>st</sup> November, 2014 who has resigned from the services of the Company, effective from 28<sup>th</sup> February, 2015. The Board conveys its deep sense of appreciation for the services rendered by them during their tenure as Company Secretary.

### **COST AUDITORS**

The Board has appointed Mr. Ramawatar Sunar, Cost Accountant for conducting the Audit of Cost records of the Company for the financial year 2014-15.

### **DEPOSITS**

The Company has not accepted any deposit during the Financial Year 2014-15 and ,as such, no amount of principal and interest was outstanding as on Balance Sheet date.

### **NO DEFAULT**

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan or guarantee and has not made any investment covered under the provisions of section 186 of the Companies Act, 2013 in the securities of any other bodies Corporate during the financial year ended 31<sup>st</sup> March, 2015.

### **RELATED PARTY TRANSACTIONS**

All the transactions done with Related parties for the year under review were on arm's length basis and are in compliance with the applicable provisions of the Act and Listing Agreement.

There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee of the Company for its approval. The particulars of contracts entered during the year are shown in the prescribed Form AOC-2 which is enclosed as **Annexure-1**. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website i.e. [www.mcil.net](http://www.mcil.net)

### **AUDITORS AND AUDITORS' REPORT**

M/s Vinod Kumar & Associates, Chartered Accountants, the auditors of your Company will retire at the ensuing Annual General Meeting and being eligible are proposed to be re-appointed from the conclusion of the 21<sup>st</sup> Annual General Meeting to the conclusion of next Annual General Meeting. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with section 141 of the Companies Act, 2013. There are no auditors qualification in the audit report for the year ended 31<sup>st</sup> March, 2015.

### **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed **Manju Laur and Associates**, a firm of Company Secretaries in Practice (F.R. No. 4557) to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the year 2014-15 forms part of this Annual Report and is annexed as **Annexure-2**. There is no secretarial audit qualification for the year under review.

### **SUBSIDIARIES /JOINT VENTURES/ASSOCIATE COMPANIES**

The Company doesn't have any subsidiary, joint venture or associate Company.

**CORPORATE GOVERNANCE**

In compliance with Clause 49 of the Listing Agreement with the stock exchange, a detailed Corporate Governance Report has been given in this report, along with the Management discussion and analysis report, which forms an integral part of the Annual Report. A certificate from Kailash Chandra Pandey, (C. P. No. 14348) a Company Secretary in Practice, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached and forms part of this Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 your directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) proper internal financial controls were in place and that these internal financial controls were adequate and operating effectively.
- (f) the directors, have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from all independent directors in accordance with the provisions of Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement.

**BOARD COMMITTEES ( COMPOSITION AND HIGHLIGHTS OF DUTIES AND RESPONSIBILITIES)****a) Audit Committee:**

The Audit Committee comprises of Mr.V. K. Hajela, Chairman, Mr. S.K Gupta and Ms. Neha Gupta as members of the Committee. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time.

**b) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Mr.V. K. Hajela, Chairman, Mr. S.K Gupta and Ms. Neha Gupta as members of the Committee. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

**c) Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee comprises of Mr. S.K Gupta, Chairman, Mr. Pramod Khandelwal and Mr. R. C. Khandelwal as members of the Committee. The Committee, inter-alia, reviews issue of duplicate certificates and oversees and reviews all matters connected with the Company's transfers of securities. It looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. and such other functions as may be specifically delegated to the Committee by the Board from time to time.

**BOARD EVALUATION**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board Evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.



The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report and forms part of this report.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has formulated Vigil Mechanism /Whistle Blower Policy for employees and Directors to keep high standards of ethical behaviour and provide safeguards to whistle blower. The Whistle Blower policy as approved by the Board has been uploaded on the website of the Company i.e. www.mcil.net

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed as **Annexure-3** and forms an integral part of this report.

#### **RISK MANAGEMENT POLICY**

The Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The Risk Management policy has been uploaded on the website of the Company i.e. www.mcil.net

#### **EXTRACT OF ANNUAL RETURN**

According to the provisions of section 92(3) of the Companies Act, 2013 the prescribed Form MGT-9 (Extract of Annual Return) is annexed as **Annexure-4** and forms an integral part of this report.

#### **DETAILS OF BOARD MEETINGS HELD DURING THE YEAR**

6 Board Meetings were held during the year ended 31.03.2015. The dates on which the meetings were held are as follows: 30.05.2014, 13.08.2014, 14.11.2014, 07.01.2015, 11.02.2015 and 18.03.2015. 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.

#### **MANAGERIAL REMUNERATION**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors are furnished hereunder:

S. No	Name	Designation	Remuneration for fiscal 2015 (Rs. in lacs)	Remuneration for fiscal 2014 (Rs. in lacs)	% Increase of remuneration in 2015 as compared to 2014#	Excl WTD	Incl WTD	Ratio of Remuneration to	
						Ratio of Remuneration to MRE#	Ratio of Remuneration to MRE#	Total Income (Fiscal 2015)#	Net Profit (Fiscal 2015)#
1	Mr. Pramod Khandelwal	Managing Director	93.00	30.00	210.00	90.12	89.60	0.01	0.66
2	Mr. R. C. Khandelwal	Chairman and Whole-time director	93.00	22.50	313.33	90.12	89.60	0.01	0.66
3	Mr. A. P. Khandelwal	Director	15.00	15.00	-	14.53	14.45	-	0.11
4	Mr. R. A. Sharma	CFO (KMP)	12.36	11.04	11.96	11.98	11.91	-	0.09
5	Ms. Rupali Aggarwal*	CS (KMP)	0.23	-	-	3.49	3.47	-	0.03
6	Mr. Niraj Kumar Jha*	CS (KMP)	0.79	-	-	2.33	2.31	-	0.02
7	Ms. Anu Kumari*	CS (KMP)	1.44	2.11	18.01	2.41	2.40	-	0.02

**WTD** : Whole-time Director, **MRE** : Median Remuneration of Employees, **KMP** : Key Managerial Personnel, **CS** : Company Secretary, **CFO** : Chief Finance Officer

#Based on Annualized Salary,

\*Ms. Anu kumari has resigned effective from 01.11.2014 and Mr. Niraj Kumar Jha was appointed as Company Secretary effective from 01.11.2014 who has resigned effective from 28.02.2014 and Ms. Rupali Aggarwal was appointed in his place effective from 09.03.2015.



1. The median remuneration of employee (MRE) excluding Whole-time Director (WTDs) was Rs. 103200/- and Rs. 98400/- in fiscal 2015 and 2014 respectively. The increase in MRE (excluding WTDs) in fiscal 2015, as compared to fiscal 2014 is 4.9%.
2. The median remuneration of employee (MRE) including Whole-time Director (WTDs) was Rs. 103800/- and Rs. 99600/- in fiscal 2015 and 2014 respectively. The increase in MRE (including WTDs) in fiscal 2015, as compared to fiscal 2014 is 4.2%.
3. The number of permanent employee on the rolls of the Company as of 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2014 were 96 and 85 respectively.
4. There is no variable component in the remuneration of Directors and other KMPs.
5. During fiscal 2015, no employee received remuneration in excess of highest-paid director.
6. The total revenue growth during fiscal 2015 over 2014 was 4.3% however net profit was declined by 22.5%. The aggregate remuneration of employees excluding WTDs grew by 16.9% over the previous fiscal. The aggregate increase in salary for WTD and other KMP was 168.9% in fiscal 2015 over fiscal 2014. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry benchmarks. The remuneration of Directors Mr. Pramod Khandelwal and Mr. R. C. Khandelwal was also approved by the Central Government under section 269,198/309 of the Companies Act, 1956 for the period effective from 01/10/2013 to 31/03/2014. Further the shareholders of the Company in the Annual General Meeting held on September 23, 2014 have approved the remuneration of Mr. Pramod Khandelwal and Mr. R. C. Khandelwal at the same level at which the Central Government has approved for a period of 3 years effective from 01.04.2014.
7. There was no employee of the company who was in receipt of remuneration equivalent to or exceeding the amount prescribed under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
8. Our Market capitalization was increased by 27.65% to Rs. 1589.92 lacs as of March 31, 2015 from Rs. 1245.56 lacs as of March 31, 2014. The price earning ratio was 11.30 as of March 31, 2015 which was an increase of 64.88% as compared to March 31, 2014. The closing price of the Company's Equity shares on the BSE as of March 31, 2015 was Rs. 21.70 representing a 117% increase over the IPO price.
9. It is affirmed that the remuneration is as per the remuneration policy of the company

#### **POLICY OF APPOINTMENT AND REMUNERATION**

The policy of the company of appointment and remuneration of directors & KMPs, including criteria for determining qualifications, positive attributes, independence of a directors and KMPs and other matters provided under sub - section (3) of section 178 of the Companies Act, 2013 adopted by the Board is appended as **Annexure-5** to the Directors' Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination & Remuneration policy of the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no such order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The CFO Certification provided in the CFO certification section of the Annual Report discusses the adequacy of Internal Control system and procedures.

#### **ACKNOWLEDGEMENTS**

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 retain its commanding position in the industry. The Directors also wish to place on record their appreciation to the Canara bank, The Hongkong and Shanghai Banking Corporation Limited, 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 : 11.07.2015  
Place : New Delhi

**R.C. KHANDELWAL**  
Chairman  
DIN : 00124085

**Annexures to the Board's Report****Annexure 1****FORM NO. AOC.2****(Pursuant to clause (h) of sub-section(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)****Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:****1. Details of contracts or arrangements or transactions not at arm's length basis**

<b>S. No</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements /transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

**2. Details of material contracts or arrangements or transactions at arm's length basis**

<b>Name of related Party</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Duration of Contract</b>	<b>Date of Approval</b>	<b>Amount (Rs. In lacs)</b>	<b>Sailent Terms</b>
Mr. Vinay Khandelwal	Son of Mr. A. P. Khandelwal, Director and Brother of Mr. Pramod Khandelwal, Director of the Company	Rent	05.02.1995 - ongoing	05.01.1995	0.36	The then prevailing Market Rate
M/s Kochar Agro Industries Pvt. Ltd.	Enterprise in which Mr. R. C. Khandelwal and Mr. Pramod Khandelwal Directors of the Company have Substantial Interest	Sales/ Job Work	01.04.2014-31.03.2019	11.02.2014	55.64	Prevailing Market Rate
		Rent	27.09.2011 to 26.09.2014	11.08.2011	24.00	
			26.09.2014 to 26.09.2017	11.02.2014		
M/s SWD Industries	Mr. A. P. Khandelwal and Mr. R.C. Khandelwal Directors of the Company are partners	Sales / Purchases	01.04.2014 to 31.03.2019	11.02.2014	2.65	Prevailing Market Rate

No advances were paid for the above related party transactions.



**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**METAL COATINGS (INDIA) LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **METAL COATINGS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **METAL COATINGS (INDIA) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015** and has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **METAL COATINGS (INDIA) LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015, to the extent applicable to the company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the audit period)**



- (vi) Other Laws as applicable to the Industry: **No specific Laws are applicable to the Company other than the general laws as per the information and explanations provided to us.**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified during the period hence not applicable to the company**).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines Standards, etc. mentioned above subject to the following observations:

*No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.*

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

*No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.*

We further report that during the audit period the company has :

1. The Company has taken a Loan from a bank amounting to Rs. 13,00,00,000/- and appropriate charge has been created.
2. The Board has decided to obtain a Special Resolution of the Shareholders under Section 180(1)(a) and 180 (1)(c) at the upcoming Annual General Meeting as per General Circular 04/2014 of Ministry of Corporate affairs.
3. The Audit Committee and the Board of Directors have approved all the Related Party Transaction. In view of the Board all the transactions with Related Parties are at Arm's Length Price.

**Prashanth Kumar Gupta**  
**Partner**  
**Manju Laur & Associates**  
**Company Secretary in Practice**  
**ACS. A37201, C.P.No.:13958**

**Date : 11.07.2015**  
**Place : New Delhi**



The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**A. POWER AND FUEL CONSUMPTION**

	For the period ended 31.03.2015	For the period ended 31.03.2014
(i) Electricity		
(a) Purchased ('000 Units)	3518.20	3530.97
Total Amount ( Rs. in lacs)	287.33	275.01
Rate per unit ( Rs.)	8.17	7.79
(b) Own Generation		
(D.G. Set) ('000 Units)	277.36	368.66
Total Amount ( Rs. in lacs)	50.64	64.51
Cost per unit ( Rs.)	18.26	17.50
(ii) Diesel Oil/C-9 :		
Quantity (Kilo Litres '000)	211.99	908.18
Total Amount ( Rs. in lacs)	115.22	426.94
Average Rate ( Rs./Litre)	54.35	47.01
(iii) PNG :		
Quantity (SCM '000)	454.54	-
Total Amount ( Rs. in lacs)	197.29	-
Average Rate ( Rs./Litre)	43.41	-

**B. Consumption per unit of production**

	Production Unit	Current Year	Current Year
Electricity (KWH)	MT	151.55	139.00

**A) Conservation of energy:**

The company conducted a detailed study on the feasibility of harnessing solar power to supplement the existing grid power being used. The study, carried out by Sun Shine Technocon Pvt. Ltd. has concluded that it shall be feasible to install solar panels to energise part of the operations of the company and steps were initiated to implement the recommendations. No capital investment has however been made during the course of the year.

**(B) Technology absorption:**

In its quest to continuously improve quality of its products, the company installed shot blasting equipment in tandem with the HR Pickling line. This has yielded excellent results on the surface finish of the products and has received heartening response from customers.

The company has also commenced implementation of ERP Systems during the year and the same is currently under implementation. This is likely to result in cost reduction besides strengthening internal controls.

**(c) Foreign exchange earnings and Outgo:**

There are no foreign exchange earnings and outgo.

**FORM NO. MGT.9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2015

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L74899DL1994PLC063387
ii.	Registration Date	12/12/1994
iii.	Name of the Company	METAL COATINGS (INDIA) LIMITED
iv.	Category / Sub-Category of the Company	Public Company, Limited by shares
v.	Address of the Registered office and contact details	912,Hemkunt Chambers, 89, Nehru Place, New Delhi-110019 Tel. No. : 011-41808125
vi.	Whether listed company	Yes, with BSE Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd, 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of cold-rolled products of steel.	24105	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
Nil					


**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-Wise Shareholding**

Category of Share holders	No of Shares held at the Beginning of the year (01.04.2014)				No of Shares held at the end of the year (31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a. Individual/ HUF	2811893	0	2811893	38.38	2940999	0	2940999	40.14	1.76
b. Central Govt. 0	0	0	0.00	0	0	0	0.00	0.00	
c. State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	1414200	0	1414200	19.30	1414200	0	1414200	19.30	0.00
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
F. Any Other..	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1)</b>	<b>4226093</b>	<b>0</b>	<b>4226093</b>	<b>57.68</b>	<b>4355199</b>	<b>0</b>	<b>4355199</b>	<b>59.44</b>	<b>1.76</b>
<b>(2) Foreign</b>									
a. NRIs-Individuals	0	70000	70000	0.96	0	70000	70000	0.96	0.00
b. Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>70000</b>	<b>70000</b>	<b>0.96</b>	<b>0</b>	<b>70000</b>	<b>70000</b>	<b>0.96</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>4226093</b>	<b>70000</b>	<b>4296093</b>	<b>58.64</b>	<b>4355199</b>	<b>70000</b>	<b>4425199</b>	<b>60.40</b>	<b>1.76</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FIs	0	0	0	0.00	0	0	0	0.00	0.00
h. Foreign	0	0	0	0.00	0	0	0	0.00	0.00
i. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a. Bodies Corp.									
i) Indian	890210	1144900	2035110	27.78	770084	1144900	1914984	26.14	(1.64)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	183828	215810	399638	5.45	237710	206202	443912	6.06	0.61
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	212141	126400	338541	4.62	197245	126400	323645	4.42	(0.20)
Others (specify)									
(1) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(2) Directors & their Relatives	0	0	0	0.00	0	0	0	0.00	0.00
(3) Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(4) Non Resident Indians	39360	186600	225960	3.08	39960	178100	218060	2.98	(0.10)
(5) Hindu Undivided Families	31458	0	31458	0.43	0	0	0	0.00	(0.43)
(6) Clearing Member	0	0	0	0.00	1000	0	1000	0.01	0.01
<b>Sub-total (B)(2)</b>	<b>1356997</b>	<b>1673710</b>	<b>3030707</b>	<b>41.36</b>	<b>1245999</b>	<b>1655602</b>	<b>2901601</b>	<b>39.60</b>	<b>(1.76)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1356997</b>	<b>1673710</b>	<b>3030707</b>	<b>41.36</b>	<b>1245999</b>	<b>1655602</b>	<b>2901601</b>	<b>39.60</b>	<b>(1.76)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5583090</b>	<b>1743710</b>	<b>7326800</b>	<b>100.00</b>	<b>5601198</b>	<b>1725602</b>	<b>7326800</b>	<b>100.00</b>	<b>0.00</b>


**(ii) Shareholding of Promoters**

S.No	Shareholders Name	No. of Shares held at the beginning of the year (01.04.2014)			No. of Shares held at the end of the year (31.03.2015)			% Change in shareholding during the year
		No of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Ramesh Chander Khandelwal	1043858	14.25	0	1043858	14.25	0	0
2	Pramod Khandelwal	1064285	14.53	0	1193391	16.29	0	1.76
3	Ayodhya Prasad Khandelwal	15200	0.21	0	15200	0.21	0	0
4	Khandelwal Galva Strips (P) Ltd	1414200	19.30	0	1414200	19.30	0	0
5	Krishna Khandelwal	106200	1.45	0	106200	1.45	0	0
6	Anupama Khandelwal	159450	2.18	0	159450	2.18	0	0
7	Priya Khandelwal	156500	2.13	0	156500	2.13	0	0
8	Anjana Khandelwal	155500	2.12	0	155500	2.12	0	0
9	Neeta Khandelwal	110900	1.51	0	110900	1.51	0	0
10	Jyoti Rawat	70000	0.96	0	70000	0.96	0	0
	<b>Total</b>	<b>4296093</b>	<b>58.64</b>	<b>0</b>	<b>4425199</b>	<b>60.40</b>	<b>0</b>	<b>1.76</b>

**iii. Change in Promoters' Shareholding**

S.No.	Particulars	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	4296093	58.64	4296093	58.64
2	Purchase of Shares	129106	1.76	4425199	60.40
3	At the End of the year			4425199	60.40

**iv. Shareholding Pattern of Top Ten Shareholders**
**(Other than Directors, Promoters and Holders of GDRs and ADRs)**

S.No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year (01-04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	MICRONE TEX FAB PRIVATE LIMITED	490000	6.69	490000	6.69
	Sales during the year	(130000)	1.77	360000	4.91
	Closing Balance			360000	4.91
2	LEHARTECHNOLOGIES.COM PRIVATE LIMITED	501752	6.85	501752	6.85
3	BONDWELL FINANCIAL SRVICES P LTD	441100	6.02	441100	6.02
4	A K SOFTECH PRIVATE LIMITED	202000	2.76	202000	2.76
5	GEOMETAL RESOURCES PVT LTD	167300	2.28	167300	2.28
6	SKYTONE LEASING & FINANCE LTD	147400	2.01	147400	2.01
7	SNEHALATHA SINGHI	98765	1.35	98765	1.35
8	RAJENDRA PRASAD GUPTA	51300	0.70	51300	0.70
9	VINAY KHANDELWAL	46700	0.64	46700	0.64
10	SPARKLING INDIA FINSHARES LTD.	40000	0.55	40000	0.55


**V. Shareholding of Directors and Key Managerial Personnels**

S.No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1.	<b>Mr. Pramod Khandelwal</b>					
	<b>At the beginning of the year</b>	1064285	14.53	1064285	14.53	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):					
	<b>Date</b>	<b>Reason</b>				
	03.09.2014	Purchase	48950	0.67	1113235	15.19
	13.03.2015	Purchase	80156	1.09	1193391	16.29
	<b>At the End of the year</b>			<b>1193391</b>	<b>16.29</b>	
2	<b>Mr. Ramesh Chander Khandelwal</b>					
	At the beginning of the year	1043858	14.25	1043858	14.25	
	Date wise Increase / Decrease	0	0	0	0	
	<b>At the End of the year</b>			<b>1043858</b>	<b>14.25</b>	
3	<b>Mr. Ayodhya Prasad Khandelwal</b>					
	<b>At the beginning of the year</b>	<b>15200</b>	<b>0.21</b>	<b>15200</b>	<b>0.21</b>	
	Date wise Increase / Decrease	0	0	0	0	
	<b>At the End of the year</b>			<b>15200</b>	<b>0.21</b>	
4	<b>Mr. R.A Sharma</b>					
	<b>At the beginning of the year</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>	
	Date wise Increase / Decrease	0	0	0	0	
	<b>At the End of the year</b>			<b>100</b>	<b>0.00</b>	
5	<b>Ms. Rupali Aggarwal</b>					
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	Date wise Increase / Decrease	0	0	0	0	
	<b>At the End of the year</b>			<b>0</b>	<b>0</b>	

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(Rs. In lacs)**

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	1653.89	—	—	1653.89
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
• Addition				
• Reduction	(312.62)	—	—	(312.62)
Net Change				
Indebtedness at the end of the financial year				
I) Principal Amount	1341.27	—	—	1341.27
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1341.27</b>	<b>—</b>	<b>—</b>	<b>1341.27</b>


**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole Time Director and /or Manager**
**(Rs in Lacs)**

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Pramod Khandelwal	Mr. R.C. Khandelwal	Mr. A.P. Khandelwal	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93.00	93.00	15.00	201.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	93.00	93.00	15.00	201.00
	Ceiling as per the Act	84.00	84.00	84.00	252.00

Note : The Remuneration to Mr. Pramod Khandelwal and Mr. R. C. Khandelwal includes Rs. 21.00 lacs each paid in 2014-15 and which was related for the year 2013-14. This was approved by the Central Government under section 269,198/309 of the Companies Act, 1956 vide order dated 08.07.2014 i.e. after the signing of Balance Sheet by the Auditors for the year 2013-14.

**B. Remuneration to other Directors**
**(Rs in Lacs)**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. V.K Hajela	Mr. S.K Gupta	Ms. Neha Gupta	Mr. K. L. Gupta	
1.	<b>Independent Directors</b>					
	• Fee for attending board committee meetings	20,000	26,000	14,000	4,000	64,000
	• Commission					
	• Others, please specify					
	Total (1)	20,000	26,000	14,000	4,000	64,000
2.	<b>Other Non-Executive Directors</b>	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B) = (1 + 2)	20,000	26,000	14,000	4,000	64,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					




**C. Remuneration to Key Managerial Personnel other than MD/Managers/WTD**

(Rs. In lacs)

S. No	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. R.A Sharma (CFO)	Ms. Rupali Aggarwal (Company Secretary)*	Mr. Niraj Kumar Jha (Company Secretary)*	Ms. Anu Kumari (Company Secretary)*	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.36	0.23	0.79	1.44	14.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	12.36	0.23	0.79	1.44	14.82

\*Ms. Anu Kumari has resigned effective from 01.11.2014 and Mr. Niraj Kumar Jha was appointed as Company Secretary effective from 01.11.2014 who has resigned effective from 28.02.2014 and Ms. Rupali Aggarwal was appointed in his place effective from 09.03.2015.

**I. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**Nomination & Remuneration policy:**

The Nomination & Remuneration policy for members of the Board and KMPs is drafted in a manner which aims to improve the performance of the Board of Directors and KMPs of Metal Coatings (India) Limited (the 'Company') and subsequently enhance the value of the Company, to motivate and retain them, and to be able to attract other highly qualified executives.

In determining the Nomination & Remuneration policy, the Nomination & Remuneration Committee ensures that a competitive remuneration package for Board-level executives and KMPs commensurate to their talent is maintained and benchmarked with other similar companies operating in domestic market.

The terms of reference, objectives and key elements of the policy produced below is in line with the provisions of Section 178(4) of the Companies Act, 2013, which requires that the policy be formulated in a manner such that it ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and also that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**OBJECTIVES OF NOMINATION & REMUNERATION POLICY**

The objective of Nomination & Remuneration policy of METAL COATINGS (INDIA) LIMITED is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of stakeholders of METAL COATINGS (INDIA) LIMITED.

**BASIS OF FORMULATION**

The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario, remuneration package of the industry, remuneration package of the managerial talent of other industries, among others.

**KEY ELEMENTS OF THE POLICY**

The following elements are taken into consideration:

- a) Metal Coatings (India) Limited strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gains, respect for people and concern for the environment in line with METAL COATINGS (INDIA) LIMITED values and business principles as reflected in the Company's Code of Business Conduct. The Nomination & Remuneration policy reflects a balance between the interests of the Company's main stakeholders as well as a balance between its short-term and long-term strategy. As a result, the structure of the remuneration package for the Managing Board and KMPs is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders.
- b) To ensure that highly skilled and qualified senior executives can be attracted and retained. Metal Coatings (India) Limited aims for a total remuneration level that is comparable to levels provided by other companies that are similar to the Company in terms of size, line of production and complexity.
- c) The remuneration policies for the members of the Managing Board and for other senior executives of Metal Coatings (India) Limited are aligned.
- d) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- e) The remuneration to directors and KMPs and other senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**Terms of reference**

The terms of reference of the Nomination & Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Board Members and KMPs. The recommendations of the Nomination & Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

The remuneration of the Executive Directors and KMPs are recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, responsibilities shouldered, performance/track record, review on remuneration packages of heads of other organizations and is decided by the Board of Directors, subject to the approval of the shareholders at the General Meeting of the Company wherever required. The Company pays remuneration by way of salary, perquisites, allowances etc.

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director/KMPs shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.



## 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. 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

After a spell of lull in the industry as well as the economy as a whole over the past couple of years, the economy is undergoing a course correction and appears poised to embark on a new growth trajectory. Economic development has been brought back centre stage. Economic growth will inevitably increase incomes in both urban and rural India. The products of the Company are used predominantly in the Auto Components and Consumer durables/white goods components industries. India's overall consumption being much lower than the world average, the medium to long term demand potential in these sectors is promising. 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 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

Particulars	For the year ended on 31.03.2015	For the year ended on 31.03.2014
Revenue from Operation (Net)	11427	10933
Other Income	34	56
Profit before Finance Cost	406	433
Finance Cost	199	177
Profit before Tax	207	256
Tax	66	74
Profit after Tax	141	182

### 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.



**Number of Board Meetings held and the dates on which held**

6 Board Meetings were held during the year ended 31.03.2015. The dates on which the meetings were held are as follows: 30.05.2014, 13.08.2014, 14.11.2014, 07.01.2015, 11.02.2015 and 18.03.2015. 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 Directors being re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and the membership of committees of the Board are furnished here under:**

**Mr. R.C. Khandelwal**, aged 64 years is a Mechanical Engineer having more than 42 years of industrial experience. During his tenure he has served as key executive in different institutions / companies. He takes care of manufacturing and human resource function and also decides on key technical aspects of operations of the Company. He has been associated with the Company as a promoter Director since 1994. Mr. R.C. Khandelwal holds directorships of the Board of Directors in Kochar Agro Industries Private Limited and G S Buildtech Private Limited. He does not hold any membership of committees of the Board of Directors of any other companies in India.

**3. BOARD COMMITTEES**

The Board has three committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee. 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 of the shareholders are being served.

**a) AUDIT COMMITTEE:****Terms of reference**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and such other functions as may be specifically delegated to the Committee by the Board from time to time. The powers include investigating any activity within its terms of reference; seeking information from any employee; obtaining outside legal or other professional advice; and securing attendance of outsiders with relevant expertise, if it considers necessary. The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; recommending the appointment, re-appointment, if required, replacement or removal of statutory auditors, fixation of audit fees and approval of payment for any other services, as permitted; reviewing the adequacy of internal audit function; discussing with internal auditors any significant findings and follow-up thereon; reviewing with the management annual and quarterly financial statements including Auditors' Report before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditors independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; 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 and reviewing the functioning of the Whistle blower mechanism and carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Composition, Meetings and Attendance**

The constitution of the Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013. The members of the Audit Committee comprise three Independent Non-Executive Directors. The Committee held four meetings during the year ended on 31st March, 2015 on 30.05.2014, 13.08.2014, 14.11.2014 and 11.02.2015. The details of composition of Audit Committee and attendance at the meetings held during the year ended 31.03.2015 are as follows:

S. No.	Name of Directors	Designation	Meetings attended
1	Mr. V. K. Hajela	Chairman (Independent)	4
2	Mr. S. K. Gupta	Member (Independent)	4
3	Ms Neha Gupta**	Member (Independent)	3
4	Mr. K. L. Gupta*	Member (Independent)	1

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

\*\* Ms. Neha Gupta was appointed as Additional Independent Director of the Company w.e.f. 13<sup>th</sup> August, 2014 and the same was regularised by the shareholders of the Company in the 20<sup>th</sup> Annual General Meeting held on 23.09.2014.

**b) NOMINATION AND REMUNERATION COMMITTEE****Terms of reference**

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Remuneration Policy**

The objective and broad framework of the Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the long term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasising on professional competence and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is then approved by the Board of Directors, subject to the approval of shareholders, wherever necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the Company required to run the Company successfully.

**Composition, Meetings and Attendance**

During the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015, two committee meetings were held on 13<sup>th</sup> August, 2014 and 9<sup>th</sup> March, 2015. Details of the composition of the Nomination & Remuneration Committee and the attendance at the meetings held during the year ended 31.03.2015 is as follows:

S. No.	Name of Directors	Designation	Meetings attended
1	Mr. V. K. Hajela	Chairman (Independent)	2
2	Mr. S. K. Gupta	Member (Independent)	2
3	Ms. Neha Gupta	Member (Independent)	None

**Details of remuneration paid to Directors for the Financial Year ended 31<sup>st</sup> March, 2015:****Executive Directors:**

Name of Director(s)	Amount (Rs. in lac)
Mr. R. C. Khandelwal #	93.00
Mr. Pramod Khandelwal #	93.00
Mr. A. P. Khandelwal	15.00

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.

#The Remuneration to Mr. Pramod Khandelwal and Mr. R. C. Khandelwal includes Rs. 21.00 lacs each paid in 2014-15 and which was related for the year 2013-14. This was approved by the Central Government under section 269,198/309 of the Companies Act, 1956 vide order dated 08.07.2014 i.e. after the signing of Balance Sheet by the Auditors for the year 2013-14



**Non-Executive Directors**

The Company has not paid any remuneration to Non Executive Directors for the year ended 31.03.2015 except the sitting fee the details of which are given hereunder:

S.No.	Name	Sitting Fees (Rupees)					Total
		Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Independent Directors Meeting	
1	Mr. V. K. Hajela	8000	8000	4000	-	-	20000
2	Mr. S. K. Gupta	8000	8000	4000	4000	2000	26000
3	Mr. K. L. Gupta*	2000	2000	-	-	-	4000
4	Ms Neha Gupta**	6000	6000	-	-	2000	14000

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

\*\* Ms. Neha Gupta was appointed as Additional Independent Director of the Company w.e.f. 13<sup>th</sup> August, 2014 and the same was regularised by the shareholders of the Company in the 20<sup>th</sup> Annual General Meeting held on 23.09.2014.

**Performance Evaluation:**

The performances of Executive Directors were evaluated on the basis of overall performance and level of Corporate Governance in the Company. The performances of Non Executive Directors were evaluated on the basis of the following criteria i.e. whether they act objectively and constructively while exercising their duties, exercise their responsibilities in a bona-fide manner in the best interest of the company, devote sufficient time and attention to their professional obligations for informed and balanced decision making, assist the company in implementing the best corporate governance practices, strive to attend all meetings of the Board of Directors and the Committees, participate constructively and actively in the committees of the Board in which they are chairpersons or members, strive to attend the general meetings of the company, keep themselves well informed about the company and the external environment in which it operates, abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

**c) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The powers, role and terms of reference of the Stakeholders' Relationship Committee covers the areas as contemplated under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

The Committee, inter-alia, reviews issue of duplicate certificates and oversees and reviews all matters connected with the Company's transfers of securities. It looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, among others. Besides the committee shall have such terms of reference, role, responsibility and powers as specified in Section 178 of the Companies Act, 2013 and as specified in the listing agreement, as amended from time to time.

It oversees the performance of the Company's Registrar and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. Besides, it monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

For the year ended 31.03.2015 two Committee Meetings were held on 14<sup>th</sup> November, 2014 and 11<sup>th</sup> February, 2015. The attendance at the meetings are as follows:

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

**STATUS OF INVESTORS' GRIEVANCES:**

The total number of correspondence/complaints received are 3 and all of them have been dealt with to the satisfaction of shareholders during the period ended 31<sup>st</sup> March, 2015 and no demat request/transfer was pending as on that date.



**FAMILIARISATION PROGRAMME FOR DIRECTORS:**

The Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company. The newly appointed director are explained their role, duties, function and responsibilities expected from them while acting as Director of the Company. The directors are also explained the compliance required from them under Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchange.

**COMPLIANCE OFFICER**

Ms. Rupali Aggarwal is the Compliance Officer of the Company.

**INDEPENDENT DIRECTORS MEETING**

During the year ended 31.03.2015 the Independent Directors met on 14<sup>th</sup> February, 2015, to review interalia, the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**4. GENERAL BODY MEETING**

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

Year	Location	Date	Time	Special Resolution Passed
2013-14	Robotics Hall, Iskcon Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110065	23.09.2014	10.30AM	1. Re-fixation of Remuneration of Mr. Pramod Khandelwal 2. Re-fixation of Remuneration of Mr. R.C Khandelwal 3. Adoption of new Articles of Association as per the Companies Act, 2013
2012-13	Hotel Conclave, A-20, Kailash Colony, New Delhi-110048	23.09.2013	11.00AM	1. Re-appointment of Mr. Pramod Khandelwal as Managing Director of the Company and re fixation of his remuneration. 2. Re-appointment of Mr. R.C Khandelwal as Whole Time Director of the Company and re-fixation of his remuneration.
2011-2012	Hotel Impress, A-25, Kh. No. 393, Mahipalpur, Near N.H.-8, Vasant Kunj Road, New Delhi - 110 037	28.09.2012	11.30AM	1. Preferential Allotment. 2. Re-Issue of Forfeited Equity Shares.

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 31<sup>st</sup> March, 2015. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

**5. DISCLOSURES AND AFFIRMATION****i. 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.

**ii. Compliance with Mandatory Requirements:**

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 **Kailash Chandra Pandey**, Company Secretary in Practice (C.P. No. 14348, ACS-26568 ), and the same is attached to this Report.

**iii. Related Party Transactions :**

All transactions entered into with related parties during the financial year 2014-15 were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There was no materially significant related party transactions during the year. Related Party transactions have been disclosed in the notes to accounts forming part of financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and on arm's length basis are placed before the Audit Committee periodically for its review. None of the transactions of the Company with related parties were in conflict with the interest of the Company.

**iv. Statutory Compliance, Penalties and Strictures :**

The Company has complied with the requirements of the Stock Exchange/SEBI and other statutory authorities 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.

**v. Whistle Blower policy :**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal, unethical behavior or actual or suspected frauds. The Company has a Vigil Mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. 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. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Whistle Blower policy as approved by the Board is uploaded on the Companies Website i.e. [www.mcil.net](http://www.mcil.net).

**vi. Means of Communications:**

- (i) The quarterly, half-yearly and annual results for the financial year ended 31.03.2015 were 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 and also uploaded on the BSE Listing Centre.
- (iii) The results are also posted on the Company's Website i.e. [www.mcil.net](http://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.

**vii. 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.

**viii. 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, 2015.

For Metal Coatings (India) Limited

**Pramod Khandelwal**  
Managing Director  
DIN : 00124082

Place: New Delhi  
Date : 11.07.2015

**ix. GENERAL SHAREHOLDERS' INFORMATION**

**21<sup>st</sup> Annual General Meeting** is proposed to be held on Monday, 24<sup>th</sup> August, 2015 at 10.30 a.m. at Robotics Hall, ISKCON Complex, Sant Nagar Main Road, East of Kailash, New Delhi-110 065

<b>Financial Year</b>	<b>1<sup>st</sup> April to 31<sup>st</sup> March</b>
<b>Financial Calendar (Tentative)</b>	
Results for the quarter ending 30th June, 2015	2nd week of August, 2015
Results for the quarter ending 30th September, 2015	2nd week of November, 2015
Results for the quarter ending 31st December, 2015	2nd week of February, 2016
Results for the quarter ending 31st March, 2016	4th week of May, 2016
Annual General Meeting	September, 2016

**Date of book closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 18<sup>th</sup> August, 2015 to Monday, 24<sup>th</sup> August, 2015 (both days inclusive) for the purpose of Annual General Meeting and Dividend.

**Dividend payment date** Between 29<sup>th</sup> August, 2015 to 22<sup>nd</sup> September, 2015

**Listing on Stock Exchange**

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

The annual listing fees for the financial year 2015-16 have been duly paid to the above stock exchange.

**Stock market data from 1st April, 2014 to 31<sup>st</sup> March, 2015**

(In Rupees)

Months	BSE Limited	
	High	Low
March, 2015	24.30	18.95
February, 2015	24.25	22.00
January, 2015	22.65	19.55
December, 2014	24.00	19.95
November, 2014	21.45	16.15
October, 2014	18.80	16.50
September, 2014	15.75	13.25
August, 2014	17.10	13.75
July, 2014	18.00	17.10
June, 2014	18.00	13.30
May, 2014	13.93	11.07
April, 2014	17.85	12.90

**Registrar & Share Transfer Agent :**

M/s Link Intime India Private Limited,  
44, Community Centre, 2<sup>nd</sup> Floor,  
Naraina Industrial Area, Phase – I,  
Near PVR Cinema, New Delhi - 110028  
Phone No. 011-41410592-93-94  
Fax No. 011-41410591

**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.

As per the SEBI circular, it has become mandatory for transferee(s) to furnish a copy of his/her/their PAN CARD for registration of transfer of shares in physical form.

**Distribution of shareholding as on 31<sup>st</sup> March, 2015**

S. No	Shareholding of normal value of Rs. 10 each	No. of share-holders	Per cent of total shareholders	Share amount (Rupees)	Per cent of total equity
1	1 to 5000	800	74.01	899510	1.22
2	5001 to 10000	112	10.36	943940	1.29
3	10001 to 20000	59	5.46	958230	1.31
4	20001 to 30000	33	3.05	832170	1.13
5	30001 to 40000	9	0.83	337390	0.46
6	40001 to 50000	13	1.20	597220	0.82
7	50001 to 100000	23	2.13	1792730	2.45
8	100001 to ABOVE	32	2.96	66906810	91.32
	<b>TOTAL</b>	<b>1081</b>	<b>100.00</b>	<b>73268000</b>	<b>100.00</b>

**Categories of Shareholders as on 31<sup>st</sup> March, 2015**

Category	No. of Equity Shares	% to paid-up Capital
Shareholding of Promoter and Promoter Group	4425199	60.40
Public Shareholding	2901601	39.60
Shares held by Custodians and against which depository receipt have been issued	—	—
<b>TOTAL</b>	<b>7326800</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

It is advisable that the shareholders who have shares in physical form get their shares dematerialized.

Dematerialization of Shares : 76.45% Equity Shares (56,01,198 Equity Shares) have been dematerialised upto 31st March, 2015.

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

**NON MANDATORY REQUIREMENTS**

**The Board** : As the Company has an Executive Chairman, the applicability of this provision does not arise.

**Shareholders Rights** : The quarterly/half-yearly results are published in the newspapers and hosted on the Company's website i.e. www.mcil.net and are filed to the Stock Exchanges electronically through BSE listing Centre with BSE Limited . The same are not sent to shareholders individually.

**Audit Qualifications** : The Company is always striving towards ensuring unqualified financial statements. There are no auditors qualification in the audit report for the year ended 31<sup>st</sup> March, 2015.

**Separate posts of Chairman and Managing Director /CEO**: The Company has different persons for the post of Chairman and Managing Director.

**Reporting of Internal Auditor**: The Internal auditor has been reporting directly to the Audit Committee.

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**Certificate by CFO for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015**

To  
**The Board of Directors**  
**Metal Coatings (India) Limited**  
**New Delhi**

**Dear Sirs,**

I, R.A. Sharma, CFO of **METAL COATINGS (INDIA) LIMITED**, to the best of my knowledge and belief, certify that:

- a) I have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Directors' report for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 and based upon my knowledge and information certify that :-
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain a statement 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 and other applicable laws and regulations.
- b) There are, to best of my knowledge and belief no transactions entered into by the company during the period, which are fraudulent, illegal or violative of the Companies Code of Conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting for the company and I have:
  - i) Evaluated the effectiveness of the internal control system of the company pertaining to financial reporting.
  - ii) Disclosed to the auditors and Audit Committee of the Board, deficiencies in the design or operation of internal controls, if any of which I am aware, and
  - iii) Necessary steps taken /proposed to be taken to ratify these deficiencies.
- d) I have indicated to auditors and the Audit Committee of the Board that there have been:
  - i) no significant changes in internal control over the financial reporting during the period,
  - ii) no significant changes in accounting policies during the period and the same have been disclosed in the notes to the financial statements
  - iii) no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Metal Coatings (India) Limited**

Place: New Delhi  
Date : 11.07.2015

**R.A. Sharma**  
CFO  
PAN : AMTPS3388J



**Certificate from Practicing Company Secretary on compliance of conditions of corporate governance**

**To**  
**The Members of**  
**Metal Coatings (India) Limited**

I have examined the compliance of conditions of Corporate Governance by Metal Coatings (India) Limited for the period ended 31st March, 2015 as stipulated in Clause 49 of the listing Agreements of the said Company with Stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management, my examination was limited to procedures and in implementations there of, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

I 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.

Place : New Delhi  
Dated : 11.07.2015

**Kailash Chandra Pandey**  
Company Secretary  
C.P. No. 14348,  
ACS - 26568



## INDEPENDENT AUDITORS' REPORT

To  
**THE MEMBERS,  
METAL COATINGS (INDIA) LIMITED**

### Report on Financial Statements

We have audited the accompanying financial statements of **"METAL COATINGS (INDIA) LIMITED ("the company")**, which comprises the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit & Loss Account and cash flow statement for the year then ended 31st March 2015, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013(" the act") with respect to the preparation and presentation of these financial statements which give a true and fair view of the financial position and financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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 as at March 31, 2015, and
- (b) in the case of the Statement of Profit and Loss of the profit and cash flow statements, for the year ended on that date;



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015(' the order') issued by the Central government of India in terms of Sub section (11) of section 143 of the Company's act 2013, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and 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 and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) The Balance Sheet, Statement of Profit & Loss Account comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014
  - e) On the basis of the written representations received from the directors as on March31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the matters to be included in the Auditor's report in accordance with rule 11 of the Companies(Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The company does not have any pending litigations which would impact its financial position
    - ii. The company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The company is not required to transfer any amounts to the Investors Education Protection Fund by the company.

**For VINOD KUMAR & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 002304N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2015**

**Aastha Jain**  
**(Partner)**  
**Membership No.519915**



**ANNEXURE TO THE AUDITOR'S REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31 March, 2015, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. In our opinion and according to the information and explanation given to us, the company has not disposed off a substantial part of fixed assets 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 explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory and no material discrepancies was observed on physical verification.
- iii. (a) The Company has not granted any loans, secured or unsecured to companies, firms and other parties, mentioned in the register maintained under section 189 of the Companies Act, 2013.
- (b) Since, the company has not granted any loans as referred to in Para (a) above, provisions of clause (iii) (a) to (iii) (b) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. We have not observed any major weakness in such internal control system during the course of audit.
- v. The company has not accepted any deposits from the public.
- vi. 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 148 of the act in respect of the 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.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the company. The company has generally been regular in depositing undisputed statutory dues including Provident fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, value Added Tax Excise Duty, Custom Duty, Cess and other material statutory dues during the year with the appropriate authorities.  
  
There were no undisputed amounts payable in respect of aforesaid dues, which were outstanding as at 31 March, 2015 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.
- (c) According to the information given to us the amounts which were required to be transferred to the Investors Education Protection Fund in accordance with the relevant provisions of the companies act 1956 and the rules made under has been transferred to such fund within time.



- viii. The company does not have any accumulated losses at the end of financial year. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. 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.
- x. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. 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.
- xii. According to the information and explanation given to us and based on our examination of books of accounts by the management, no material fraud on or by the company has been noticed or reported during the course of our audit.

**For VINOD KUMAR & ASSOCIATES**  
**Chartered Accountants**  
**FRN: 002304N**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2015**

**Aastha Jain**  
**(Partner)**  
**Membership No.519915**

**BALANCE SHEET AS AT 31 MARCH, 2015**

(Rs. in lacs)

PARTICULARS	Note No.	As at 31.03.2015		As at 31.03.2014	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Shareholders' funds</b>					
(a) Share capital	1	732.68		732.68	
(b) Reserves and surplus	2	1436.67	2169.35	1383.72	2116.40
<b>Non-current liabilities</b>					
Long-term borrowings	3	13.82		18.19	
Deferred tax liabilities (net)	4	70.30		71.43	
Long-term provisions	5	63.68	147.80	48.97	138.59
<b>Current liabilities</b>					
Short-term borrowings	6	1310.38		1611.44	
Trade payables	7	10.77		2.30	
Other current liabilities	8	196.32		128.81	
Short-term provisions	9	129.71	1647.18	111.59	1854.14
<b>TOTAL</b>			<b>3964.33</b>		<b>4109.13</b>
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
Fixed assets	10	815.89		845.05	
Non-current investments	11	300.00		300.00	
Long Term Loans & Advances	12	10.91	1126.80	12.61	1157.66
<b>Current assets</b>					
Inventories	13	670.44		782.70	
Trade receivables	14	1952.52		1904.22	
Cash and cash equivalents	15	137.01		119.38	
Short-term loans and advances	16	77.56	2837.53	145.17	2951.47
<b>TOTAL</b>			<b>3964.33</b>		<b>4109.13</b>

Significant Accounting Policies and Notes on Financial Accounts

1 to 31

In terms of our annexed report of even date

For **Vinod Kumar & Associates**  
Chartered Accountants  
FRN No. 002304N

For and on behalf of the Board

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

**R. C. Khandelwal**  
Chairman  
DIN : 00124085

**Pramod Khandelwal**  
Managing Director  
DIN : 00124082

Date : 30.05.2015  
Place : New Delhi

**Rupali Aggarwal**  
Company Secretary  
PAN : ASLPA9829J

**R. A. Sharma**  
CFO  
PAN : AMTPS3388J

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

(Rs. in lacs)

Particulars	Note No.	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>INCOME</b>			
Revenue from operations (Gross)	17	12753.06	12204.31
Less : Excise Duty		1326.11	1271.17
Revenue from operations (Net)		11426.95	10933.14
Other Income	18	34.48	56.46
<b>Total revenue</b>		<b>11461.43</b>	<b>10989.60</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	9287.94	8787.40
Changes in inventories of finished goods & stock-in-progress	20	59.15	(3.25)
Employee benefits expense	21	453.26	270.98
Finance costs	22	199.01	177.11
Depreciation and amortisation expense	23	77.17	72.50
Other expenses	24	1177.94	1428.48
<b>Total expenses</b>		<b>11254.47</b>	<b>10733.22</b>
<b>Profit Before Tax</b>		<b>206.96</b>	256.38
<b>Tax Expenses</b>			
Current Tax		66.92	72.45
Tax adjustments relating to previous year		0.30	(6.84)
Deferred Tax		(1.13)	9.14
Profit for the year		140.87	181.63
<b>Earnings per equity share of face value of Rs. 10 each</b>			
Basic and Diluted (in Rs.)	25	1.92	2.48
Significant Accounting Policies and Notes on Financial Accounts	1 to 31		

In terms of our annexed report of even date

For **Vinod Kumar & Associates**  
Chartered Accountants  
FRN No. 002304N

For and on behalf of the Board

**(AASTHA JAIN)**  
Partner  
Membership No. 519915**R. C. Khandelwal**  
Chairman  
DIN : 00124085**Pramod Khandelwal**  
Managing Director  
DIN : 00124082Date : 30.05.2015  
Place : New Delhi**Rupali Aggarwal**  
Company Secretary  
PAN : ASLPA9829J**R. A. Sharma**  
CFO  
PAN : AMTPS3388J

**CASH FLOW STATEMENT FOR THE ACCOUNTING YEAR ENDED 31ST MARCH, 2015 (CLAUSE 32 OF LISTING AGREEMENT)**

(Rs. in lacs)

PARTICULARS	For the Period ended 31.03.2015	For the Period ended 31.03.2014
<b>A. Cash flow from Operating Activities :</b>		
Net Profit before taxes and Extraordinary Items	206.96	256.38
Adjustment for		
Depreciation	77.17	72.50
Interest paid	185.21	163.87
Operating profit before working capital changes	469.34	492.75
(Increase)/Decrease in Sundry Debtors	(48.30)	(181.61)
(Increase)/Decrease in Inventories	112.26	(60.01)
(Increase)/Decrease in Loans & Advances	69.31	(15.63)
Increase/(Decrease) in Current Liabilities	83.12	3.07
Increase/(Decrease) in Short & Long term provisions	(55.09)	(13.85)
Cash generated from operations	630.64	224.72
Interest paid	(181.06)	(159.72)
Extraordinary Items:		
Tax and Interest on tax paid for earlier year	(0.30)	6.84
Tax Paid	(66.92)	(72.45)
Net cash from operating activities	382.36	(0.61)
<b>B. Cash flow from investing activities</b>		
Additions to fixed assets (including capital work in progress and advances on capital account)	(49.09)	(240.38)
Proceeds from sales of Fixed Assets	1.08	6.71
Proceeds from sales of Investment	-	-
Purchase of investments	-	-
Net cash from Investing Activities	(48.01)	(233.67)
<b>C. Cash flow from Financing Activities</b>		
Proceeds from new borrowings	-	-
Repayment of interest on car Loan	(4.15)	(4.15)
Proceeds from preferential issue of shares	-	-
Repayment of borrowing	(312.57)	243.14
Net cash from Financing Activities	(316.72)	238.99
Net cash flows during the year (A+B+C)	17.63	4.71
Cash and cash equivalents (Opening balance)	119.38	114.67
Cash and cash equivalents (Closing balance)	137.01	119.38

**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.

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 : 30.05.2015  
Place : New Delhi

For and on behalf of the Board

**R. C. Khandelwal**  
Chairman  
DIN : 00124085

**Rupali Aggarwal**  
Company Secretary  
PAN : ASLPA9829J

**Pramod Khandelwal**  
Managing Director  
DIN : 00124082

**R. A. Sharma**  
CFO  
PAN : AMTPS3388J



## 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 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 II of the Companies Act, 2013. 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.

**m. 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.

**For and on behalf of  
METAL COATINGS (INDIA) LIMITED**

**PRAMOD KHANDELWAL  
Managing Director  
DIN : 00124082**

**Place : New Delhi  
Date : 30.05.2015**



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(Rs. in lacs)

PARTICULARS	As at 31.03.2015	As at 31.03.2014
<b>1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
80,00,000 (Previous Year 80,00,000) Equity Shares of Rs. 10/- each.	<b>800.00</b>	800.00
<b>Issued , Subscribed &amp; Paid up Capital</b>		
73,26,800 (Previous Year 73,26,800) Equity Shares of Rs. 10/- each.	<b>732.68</b>	732.68

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

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
a Khandelwal Galva Strips Pvt. Ltd.	<b>1414200</b>	<b>19.30</b>	1414200	19.30
b Pramod Khandelwal	<b>1193391</b>	<b>16.29</b>	1064285	14.52
c Ramesh Chander Khandelwal	<b>1043858</b>	<b>14.25</b>	1043858	14.25
d Microne Texfab Private Limited	<b>360000</b>	<b>4.91</b>	490000	6.69
e Lehartechologies.Com Pvt. Limited	<b>501752</b>	<b>6.85</b>	501752	6.85
f Bondwell Financial Services (P) Ltd.	<b>441100</b>	<b>6.02</b>	441100	6.02
	<b>4954301</b>	<b>67.62</b>	<b>4955195</b>	<b>67.63</b>

**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	<b>7326800</b>	7326800
Add : Shares issued	-	-
Less : Shares bought back	-	-
Equity Shares at the end of the year	<b>7326800</b>	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)

PARTICULARS	As at 31.03.2015		As at 31.03.2014	
<b>2 RERSERVE &amp; SURPLUS</b>				
<b>Surplus in statement of Profit &amp; Loss</b>				
Balance at the beginning of the year	1215.83		1119.92	
Add: Profit for the year	140.87		181.63	
<b>Less : Appropriations</b>				
Less : Proposed Dividend	73.27		73.27	
Less : Dividend distribution tax	14.65	1268.78	12.45	1215.83
<b>General Reserve</b>				
As per last Balance Sheet	26.16		26.16	
Add: Addition during the year	-	26.16	-	26.16
<b>Security Premium</b>				
As per last Balance Sheet	135.59		135.59	
Add: Addition during the year	-	135.59	-	135.59
<b>Capital Reserve</b>				
As per last Balance Sheet	6.14		6.14	
Add: Addition during the year	-	6.14	-	6.14
<b>Total</b>		<u>1436.67</u>		<u>1383.72</u>
<b>3 LONG TERM BORROWINGS</b>				
<b>3.1 Secured</b>				
Car Loan from Bank	13.82	13.82	18.19	18.19
(Secured against hypothecation of Motor Vehicles purchased out of such loan) Loan of Rs. 53.73 lacs (Canara Bank-7.73 lacs,HDFC Bank-14.00 lacs and BMW Financial Services-32.00 lacs) repayable in 60, 36 and 36 installments respectively. Current outstanding balance amounting to Rs. 30.89 lacs out of which installments payable with in next one year is Rs. 17.07 lacs classified as current liability carrying interest rate of 12% p.a. in case of Canara Bank, 10.50% p.a. in case of HDFC Bank and 8.33% p.a. in case of BMW Financial Services.				
<b>4 DEFERRED TAX LIABILITY (NET)</b>				
Opening as per last Balance Sheet	71.43		62.29	
Addition during the year	(1.13)		9.14	
Reduction during the year	-		-	
Closing Balance as at Balance Sheet date		70.30		71.43
(Deferred Tax has been recognised on account of timing differences due to depreciation , provision for Gratuity and Leave Encashment.)				
<b>5 LONG TERM PROVISIONS</b>				
Gratuity	55.05		43.21	
Earned Leave	8.63	63.68	5.76	48.97



(Rs. in lacs)

<b>PARTICULARS</b>	<b>As at</b>		<b>As at</b>	
	<b>31.03.2015</b>		<b>31.03.2014</b>	
<b>6 SHORT TERM BORROWINGS</b>				
<b>Secured</b>				
Working Capital Limit from Bank		<b>1310.38</b>		1611.44
(Secured against hypothecation of book debts, inventories and by way of mortgage of land, buildings and Plant & Machinery. Current rate of Interest 12.00% p.a. in case of Canara Bank and 10.45% in case of HSBC Bank). This is also secured by personal guarantee of whole time directors.				
<b>7 TRADE PAYABLES</b>				
Micro, Small and Medium Enterprises		-		-
Payable with in operating Cycle	<b>10.77</b>	<b>10.77</b>	2.30	2.30
<b>8 OTHER CURRENT LIABILITIES</b>				
Current maturity of long term debts*	<b>17.07</b>		24.21	
Interest accrued but not due on borrowings	-		0.05	
Unclaimed Dividend	<b>18.96</b>		10.37	
Payable in respect of statutory dues	<b>23.43</b>		18.67	
Advance received from customers	<b>38.02</b>		37.27	
Employee Benefits Payable	<b>45.95</b>		26.78	
Other Payables	<b>52.89</b>	<b>196.32</b>	11.46	128.81
* : 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.				
<b>9 SHORT TERM PROVISIONS</b>				
Gratuity	<b>25.58</b>		22.66	
Earned Leave	<b>4.12</b>		2.89	
Provision for wealth tax	<b>0.43</b>		0.32	
Proposed Dividend on Equity Shares	<b>73.27</b>		73.27	
Dividend Distribution Tax	<b>14.65</b>		12.45	
Provision for Income Tax (Net)	<b>11.66</b>	<b>129.71</b>	-	111.59


**10 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2014	Additions	Sold / Discarded	Total as on 31.03.2015	Total as on 01.04.2014	For the period ended 31.03.2015	Dep. On discarded assets	Total as on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Land	81.87	-	-	81.87	-	-	-	-	81.87	81.87
Buildings	432.65	-	-	432.65	128.97	11.38	-	140.35	292.30	303.68
Leasehold Improvements	15.50	-	-	15.50	5.77	1.15	-	6.92	8.58	9.73
Plant & Machinery	1078.29	30.74	21.71	1087.32	740.90	41.03	20.63	761.30	326.02	337.39
Motor Vehicles	148.83	16.26	-	165.09	42.13	20.62	-	62.75	102.34	106.70
Furniture, Fixtures	2.98	-	-	2.98	1.35	0.24	-	1.59	1.39	1.63
Office Equipment	6.17	-	-	6.17	3.38	1.69	-	5.07	1.10	2.79
Computers	4.05	0.44	-	4.49	2.79	0.99	-	3.78	0.71	1.26
Intangible Assets	-	1.65	-	1.65	-	0.07	-	0.07	1.58	-
<b>Total</b>	<b>1770.34</b>	<b>49.09</b>	<b>21.71</b>	<b>1797.72</b>	<b>925.29</b>	<b>77.17</b>	<b>20.63</b>	<b>981.83</b>	<b>815.89</b>	<b>845.05</b>
Previous year	1629.37	240.39	99.42	1770.34	945.49	72.51	92.71	925.29	845.05	683.88

(Rs. in lacs)

**PARTICULARS**

**As at  
31.03.2015**

**As at  
31.03.2014**

**11 NON-CURRENT INVESTMENT**

In Equity Shares of 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

**10.91**

7.61

Capital Advances

-

**10.91**

5.00

12.61

**13 INVENTORIES**

Raw Materials

**245.43**

283.36

Stores & Spares

**1.52**

16.70

Stock in Process

**413.46**

357.75

Scrap Material

**10.03**

6.64

Finished Goods

-

**670.44**

118.25

782.70

**14 TRADE RECEIVABLES**

(Unsecured and considered good)

Over six months from the due date

**7.48**

41.59

Others

**1945.04**

**1952.52**

1862.63

1904.22



(Rs. in lacs)

PARTICULARS	As at		As at	
	31.03.2015		31.03.2014	
<b>15 CASH AND CASH EQUIVALENTS</b>				
Cash in hand	8.87		8.79	
Balance with Banks	1.41		0.31	
Other Bank Balances				
-Unclaimed Dividend (current account)	18.96		10.37	
-Fixed Deposits*	107.77	137.01	99.91	119.38
* : Pledged with bank against CC limits and margin money amounting to Rs. 71.51 lacs (Previous Year 66.44 lacs)				
<b>16 SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured and considered good)				
Balance with Government Authorities	18.29		23.18	
Advance to Employees	9.28		10.54	
Prepaid Expenses	2.51		2.11	
Others *	47.48	77.56	109.34	145.17
* Others include advance to suppliers of Rs. 13.09 lacs. (Previous Year - 79.85 lacs)				

(Rs. in lacs)

PARTICULARS	For the year ended		For the year ended	
	31.03.2015		31.03.2014	
<b>17 REVENUE FROM OPERATIONS</b>				
Sale of Products	12544.44		11770.16	
Other operating revenues	208.62	12753.06	434.15	12204.31
<b>18 OTHER INCOME</b>				
Rent	24.00		24.00	
Bad Debts Recovered	-		16.00	
Interest Income	8.74		12.31	
Other non-operating income	1.74	34.48	4.15	56.46
<b>19 COST OF MATERIALS CONSUMED</b>				
H. R. Coils	9277.96		8563.14	
Wire Rods/G. P. Coils	9.98	9287.94	224.26	8787.40
<b>20 CHANGE IN INVENTORIES OF FINISHED GOODS &amp; STOCK IN PROCESS</b>				
<b>Inventories (Closing)</b>				
Finished Goods	-		118.25	
Scrap Material	10.03		6.64	
Stock-in-process	413.46	423.49	357.75	482.64
<b>Inventories (Opening)</b>				
Finished Goods	118.25		70.86	
Scrap Material	6.64		6.27	
Stock-in-process	357.75	482.64	402.26	479.39
<b>(Increase) / Decrease in Inventory</b>		<b>59.15</b>		<b>(3.25)</b>



(Rs. in lacs)

PARTICULARS	For the year ended 31.03.2015		For the year ended 31.03.2014	
<b>21 EMPLOYEE BENEFITS EXPENSES</b>				
Salaries and Wages	425.45		248.12	
Contribution to Provident and other funds	18.83		15.78	
Staff welfare expenses	8.98	453.26	7.08	270.98
		<b>Gratuity</b>	<b>Leave</b>	
			<b>Encashment</b>	
				<b>Gratuity</b>
				<b>Leave</b>
				<b>Encashment</b>
<b>a) Reconciliation of opening and closing balance of defined benefit obligation</b>				
Obligation at beginning of year	65.88	8.65	64.77	8.61
Current service cost	4.77	1.21	4.07	0.87
Interest cost	5.27	0.69	5.83	0.78
Actuarial (gain) / loss	6.53	2.54	(7.63)	2.06
Benefits paid	(1.81)	(0.35)	(1.17)	(3.67)
Obligation at year end	80.64	12.75	65.87	8.65
<b>b) Experience Adjustment</b>				
Experience Adjustment (Gain) / loss for Plan liabilities	4.52	2.25	(3.23)	2.66
Experience Adjustment (Gain) / loss for Plan assets	-	-	-	-
<b>c) Actuarial assumptions</b>				
Discount rate (per annum)	8.00%	8.00%	9.00%	9.00%
Salary growth rate (per annum)	7.50%	7.50%	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	IALM- 2006-08 Ultimate	IALM- 2006-08 Ultimate
<b>22 FINANCE COST</b>				
Interest	185.21		163.87	
Bank Charges	13.80	199.01	13.24	177.11
<b>23 DEPRECIATION AND AMORTISATION EXPENSE</b>				
Depreciation	77.17	77.17	72.50	72.50
<b>24 OTHER EXPENSES</b>				
<b>Manufacturing expenses</b>				
Stores & Spares	198.29		217.51	
Power & Fuel	599.84		701.95	
Job Work Charges	77.05		72.18	
Repair to Machinery	139.53		211.79	
Repair to Building	5.37	1020.08	4.13	1207.56
<b>Selling and Distribution Expenses</b>				
Distribution Expenses	64.53	64.53	53.59	53.59



(Rs. in lacs)

<b>PARTICULARS</b>	<b>For the year ended 31.03.2015</b>		<b>For the year ended 31.03.2014</b>	
<b>24 OTHER EXPENSES (Contd...)</b>				
<b>Administrative &amp; Miscellaneous Expenses</b>				
Bad Debts written off	11.17		54.80	
Insurance	2.44		2.06	
Payment to Auditors	5.94		5.71	
Professional Fee	9.55		9.23	
Rates & Taxes	5.84		4.90	
Rent	8.46		14.82	
Travelling, Vehicle Running & Maintenance Expenses	13.60		12.51	
Cash Discount	-		13.91	
Excise Duty Expenses	-		14.01	
Miscellaneous Expenses	36.33	93.33	35.38	167.33
<b>TOTAL</b>		<b>1177.94</b>		<b>1428.48</b>

**24.1 PAYMENT TO AUDITORS (EXCLUSIVE OF SERVICE TAX) AS :**

Audit Fees (Includes audit fees of quarterly review)	4.55		4.55	
Tax Audit Fees	0.95		0.95	
Fees for Certification Work & others	0.44	5.94	0.21	5.71

**25 EARNING PER SHARE (EPS)**

i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs)	140.87		181.63	
ii) No. of Shares used as denominator for calculating EPS	7326800		7326800	
iii) Basic and Diluted Earning per share (Rs.)	1.92		2.48	
iv) Face Value per equity share (Rs.)	10.00		10.00	

**26 Foreign Exchange Earning and Expenditure**

Export of goods manufactured	-		-	
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**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 period ended 31.03.2015	Outstanding as on 31.03.2015	Payable-P Receivable-R	Written off During Year ended 31.03.2015
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.	Enterprise in which Mr. R.C. Khandelwal and Mr. Pramod Khandenwal Directors of the Company have Substantial Interest	Sales	11.36 (564.27)	- (-)	- (-)	Nil (Nil)
		Purchases	- (6.81)	- (-)	- (-)	Nil (Nil)
		Job Work	44.28 (19.67)	4.05 (-)	R (-)	Nil (Nil)
		Rent	24.00 (24.00)	- (-)	- (-)	Nil (Nil)
		Investment	- (-)	300.00 (300.00)	- (-)	Nil (Nil)
M/s SWD Industries	Mr. A. P. Khandelwal and Mr. R.C. Khandelwal Directors are partners	Sales	0.61 (2.06)	0.61 (2.06)	R (R)	Nil (Nil)
		Purchases	2.04 (-)	- (-)	- (-)	Nil (Nil)
Mr. R. C. Khandelwal	Chairman	Remuneration	93.00 (22.50)	12.00 (7.50)	(P) (P)	Nil (Nil)
		Employees Benefits	- (0.58)	- (-)	- (-)	Nil (Nil)
Mr. Pramod Khandelwal	Managing Director	Remuneration	93.00 (30.00)	12.00 (-)	(P) (-)	Nil (Nil)
Mr. A. P. Khandelwal	Director	Remuneration	15.00 (15.00)	- (-)	- (-)	Nil (Nil)
		Employees Benefits	- (0.58)	- (-)	- (-)	Nil (Nil)
Mr. V. K. Hajela	Director	Sitting Fee	0.20 (0.18)	0.18 (-)	P (-)	Nil (Nil)
Mr. K. L. Gupta	Director	Sitting Fee	0.04 (0.20)	0.04 (-)	P (-)	Nil (Nil)
Mr. S. K. Gupta	Director	Sitting Fee	0.26 (0.16)	0.23 (-)	P (-)	Nil (Nil)
Ms. Neha Gupta	Director	Sitting Fee	0.14 (-)	0.13 (-)	P (-)	Nil (Nil)

The remuneration to directors include a sum of Rs. 42 lacs being the amount expensed and paid in the current year in relation to services already rendered as the approval of the Central government for this payment has been received now.



**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 DEPRECIATION**

The company has adopted Schedule II to the Companies Act, 2013 as it has become effective in the current year. The useful life of the assets and residual value has been considered in accordance with the provisions of Schedule II. The assets whose useful life is already over, but are being used by the company has been written down to their residual value by expensing off the same in the current year amounting to Rs. 3.43 lacs ( Previous Year : Nil). The depreciation rates for all the assets have been revised on the basis of balance useful life , in terms of Schedule II of the Companies Act, 2013 and in accordance with the guidelines issued by The Institute of Chartered accountant of India thereunder. This does not result into change in accounting policy as the same has been implemented in terms of changed legal requirement.

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

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 : 30.05.2015  
Place : New Delhi

**For and on behalf of the Board**

**R. C. Khandelwal**  
Chairman  
DIN : 00124085

**Rupali Aggarwal**  
Company Secretary  
PAN : ASLPA9829J

**Pramod Khandelwal**  
Managing Director  
DIN : 00124082

**R. A. Sharma**  
CFO  
PAN : AMTPS3388J