



METAL COATINGS (INDIA) LIMITED



22ND
ANNUAL REPORT
2015-16

**CORPORATE INFORMATION**

| | | |
|--|--|--|
| DIRECTORS | Mr. Ramesh Chander Khandelwal Mr. Pramod Khandelwal Mr. Ayodhya Prasad Khandelwal Mr. Virendra Kumar Hajela Mr. Satish Kumar Gupta Ms. Neha Gupta | Chairman & Whole-Time Director Managing Director Whole-Time Director Independent Director Independent Director Independent Director |
| AUDITORS | Vinod Kumar & Associates Chartered Accountants 909, Chiranjiv Tower, 43, Nehru Place, New Delhi-110 019 | |
| BANKERS | Canara Bank 36-37, Community Centre, East of Kailash, New Delhi-110 065 | |
| | The Hongkong and Shanghai Banking Corporation Ltd., 25, Barakhamba Road, New Delhi-110 001 | |
| REGISTRARS & SHARE TRANSFER AGENT | M/s Link Intime India Private Ltd., 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase-I Near PVR Cinema, New Delhi -110 028 Phone No: 011-41410592-93-94 Fax No. 011-41410591 | |
| REGISTERED OFFICE | 912, Hemkunt Chambers, 89, Nehru Place, New Delhi -110 019 CIN: L74899DL1994PLC063387 Tel No: 011-41808125 Email Id: info@mcilindia.net Website: www.mcil.net | |
| WORKS | (i) Sector – 45, Meola Maharajpur, Faridabad – 121 003. | |
| | (ii) Plot No. -113, HSIIDC Industrial Estate, Sector – 59, Faridabad – 121 004. | |

22ND ANNUAL GENERAL MEETING

| | | |
|-------|---|---|
| Day | : | Wednesday |
| Date | : | 21 st September, 2016 |
| 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**

Dear Members,

The Directors of your Company have pleasure in presenting their **Twenty Second Annual Report** of the Company, along with the audited financial statements, for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The company's financial performance for the year ended March 31, 2016 is summarised below: (Rs. In lacs)

| Particulars | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---------------------------------|----------------------------------|----------------------------------|
| Total Turnover (Gross) | 10242 | 12753 |
| Operating Profit | 434 | 483 |
| Depreciation | 77 | 77 |
| Finance Cost | 123 | 199 |
| Provision for Tax & Adjustments | 83 | 66 |
| Net Profit | 151 | 141 |

PERFORMANCE REVIEW AND STATE OF AFFAIRS OF THE COMPANY

The gross turnover of your Company for the year 2015-16 is Rs. 10242 lacs as against Rs. 12753 lacs in the previous year 2014-15. The Profit before tax stood at Rs. 235 lacs as against Rs. 207 lacs in the previous year. Globally, the steel industry encountered one of the most difficult phases of its business cycle in recent times during the year under review. There was a slowdown in the Chinese economy which resulted in reduced demand for steel globally. The global steel prices touched their lowest levels since 2003. This had a major adverse impact on the sales revenue of the Company. However your Company during these challenging times, has registered a growth of more than 13% in profit before tax. Your Company's performance for the period 2015-16 has to be seen in the context of above economic scenario.

DIVIDEND

The Board of Directors on March 16, 2016, declared an interim dividend at the rate of Rs. 1/- (Rupee one only) per equity share of Rs. 10/- (Ten Rupees) each, which was paid to the members, whose names appeared on the Register of Members of the Company on March 24, 2016. Considering the future growth and need to plough back the profits, the Board of Directors does not recommend any final dividend on the equity shares and the interim dividend declared is the final dividend on equity shares of the Company for the financial year ended March 31, 2016. The interim dividend declared and paid on equity shares including dividend tax thereon aggregated Rs. 88.19 lacs.

RESERVES & SURPLUS

The Company doesn't propose to transfer any amount into the general reserve. Entire amount of Rs. 151 lacs is proposed to be retained in the surplus.

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.

BOARD OF DIRECTORS**Re-Appointment of Director**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee, the Board has approved continuation of employment of Mr. Ayodhya Prasad Khandelwal, who has attained the age of seventy years as a Whole-Time Director of the Company, upto March 31, 2018 i.e. upto expiry of his present term of office as approved by the members at the 19th Annual General Meeting of the company held on September 23, 2013.

Director liable to retire by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Pramod Khandelwal, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

**KEY MANAGERIAL PERSONNEL**

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Companies Act, 2013, read with the Rules framed there under.

1. Mr. Ramesh Chander Khandelwal, Chairman & Whole-time Director
2. Mr. Pramod Khandelwal, Managing Director
3. Mr. Ayodhya Prasad Khandelwal, Whole-time Director
4. Mr. R. A. Sharma, Chief Financial Officer, and
5. Ms. Rupali Aggarwal, Company Secretary & Compliance Officer

None of the Key Managerial Personnel have resigned and been appointed during the year under review.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed.

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

6 Board Meetings were held during the financial year ended 31.03.2016. The dates on which the meetings were held are 30.05.2015, 11.07.2015, 14.08.2015, 07.11.2015, 12.02.2016 and 16.03.2016. 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.

Detail of attendance at the meetings of Board of Directors held during the financial year ended 31.03.2016 are as follows:

| S. No. | Name of Directors | Designation | Meetings attended |
|--------|-------------------------------|--------------------------------|-------------------|
| 1. | Mr. Ramesh Chander Khandelwal | Chairman & Whole-Time Director | 6 |
| 2. | Mr. Pramod Khandelwal | Managing Director | 6 |
| 3. | Mr. Ayodhya Prasad Khandelwal | Whole-Time Director | 6 |
| 4. | Mr. Virendra Kumar Hajela | Independent Director | 1 |
| 5. | Mr. Satish Kumar Gupta | Independent Director | 6 |
| 6. | Ms. Neha Gupta | Independent Director | 6 |

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) & 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, 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) we 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) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) we have prepared the annual accounts on a going concern basis;
- (e) proper internal financial controls were in place and these internal financial controls were adequate and operating effectively; and
- (f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

The Company has not accepted any deposit from public during the Financial Year 2015-16 and, as such, no amount of principal and interest was outstanding as on Balance Sheet date.

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 Corporates during the financial year ended 31st March, 2016.

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.

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 Companies Act, 2013.

There are no material significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, 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 with related parties are shown in the prescribed Form AOC-2 which is enclosed as **Annexure-1**. The Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website i.e. 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 for the period of 5 year from the conclusion of the 22nd Annual General Meeting till the conclusion of 27th 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' qualifications in the audit report for the financial year ended 31st March, 2016.

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 M/s 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 2015-16 forms part of this Annual Report and is annexed as **Annexure-2**. There is no secretarial audit qualification for the year under review.

COST AUDITORS

The Board has appointed Mr. Ramawatar Sunar (Membership number-10567), Cost Accountant for conducting the Audit of Cost records of the Company for the financial year 2015-16.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

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

**BOARD COMMITTEES****a) Audit Committee:**

The Audit Committee comprises of Mr. Satish Kumar Gupta, Chairman, Mr. Virendra Kumar Hajela 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 Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

5 Audit Committee Meetings were held during the financial year ended 31.03.2016. The dates on which the meetings were held are 30.05.2015, 11.07.2015, 14.08.2015, 07.11.2015 and 12.02.2016.

Detail of attendance at the Audit Committee Meetings of Board of Directors of the company held during the financial year ended 31.03.2016 are as follows:

| S. No. | Name of Directors | Designation | Meetings attended |
|--------|---------------------------|---------------------------------|-------------------|
| 1. | Mr. Satish Kumar Gupta | Chairman (Independent Director) | 5 |
| 2. | Mr. Virendra Kumar Hajela | Member (Managing Director) | 1 |
| 3. | Ms. Neha Gupta | Member (Whole-Time Director) | 5 |

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. Satish Kumar Gupta, Chairman, Mr. Virendra Kumar Hajela 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 Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors.

During the financial year 2015-16, no Nomination and Remuneration Committee was held.

c) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of Mr. Satish Kumar Gupta, Chairman; Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal as members of the Committee. The Committee, inter-alia, reviews issue of duplicate share 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 Annual Reports, non-receipt of declared dividends and such other functions as may be specifically delegated to the Committee by the Board from time to time.

4 Stakeholders' Relationship Committee Meetings were held during the financial year ended 31.03.2016. The dates on which the meetings were held are 30.05.2015, 14.08.2015, 07.11.2015 and 12.02.2016.

Detail of attendance at the Stakeholders' Relationship Committee Meetings of Board of Directors of the Company held during the financial year ended 31.03.2016 are as follows:

| S. No. | Name of Directors | Designation | Meetings attended |
|--------|-------------------------------|---------------------------------|-------------------|
| 1. | Mr. Satish Kumar Gupta | Chairman (Independent Director) | 4 |
| 2. | Mr. Pramod Khandelwal | Member (Managing Director) | 4 |
| 3. | Mr. Ramesh Chander Khandelwal | Member (Whole-Time Director) | 4 |

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.

CORPORATE SOCIAL RESPONSIBILITY

The section 135 of the Companies Act, 2013, related to Corporate Social Responsibility is not applicable on the Company.

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.

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 2016 (Rs. in lacs) | Remuneration for fiscal 2015 (Rs. in lacs) | % increase/ (decrease) in remuneration in 2016 as compared to 2015 # | Excl WTD Ratio of Remuneration to MRE# | Incl WTD Ratio of Remuneration to MRE# | Total Income (Fiscal 2016)# | Net Profit (Fiscal 2016)# |
|-------|-------------------------------|----------------------------------|--|--|--|--|--|-----------------------------|---------------------------|
| 1 | Mr. Pramod Khandelwal | Managing Director | 72.00 | 93.00 | (22.58) | 58.82 | 57.97 | 0.01 | 0.48 |
| 2 | Mr. Ramesh Chander Khandelwal | Chairman and Whole-time Director | 72.00 | 93.00 | (22.58) | 58.82 | 57.97 | 0.01 | 0.48 |
| 3 | Mr. Ayodhya Prasad Khandelwal | Whole-time Director | 15.00 | 15.00 | - | 12.25 | 12.08 | -- | 0.10 |
| 4 | Mr. R. A. Sharma | CFO (KMP) | 12.45 | 12.36 | 0.73 | 10.17 | 10.02 | -- | 0.08 |
| 5 | Ms. Rupali Aggarwal* | CS (KMP) | 3.60 | 0.23 | - | 2.94 | 2.90 | -- | 0.02 |

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

*: Ms. Rupali Aggarwal was appointed as a Company Secretary of the Company w.e.f. 09.03.2015.

: Based on Annualized Salary,

- The median remuneration of employee (MRE) excluding Whole-time Director (WTDs) was Rs. 122400/- and Rs. 103200/- in fiscal 2016 and 2015 respectively. The increase in MRE (excluding WTDs) in fiscal 2016, as compared to fiscal 2015 is 18.6%.
- The median remuneration of employee (MRE) including Whole-time Director (WTDs) was Rs. 124200/- and Rs. 103800/- in fiscal 2016 and 2015 respectively. The increase in MRE (including WTDs) in fiscal 2016, as compared to fiscal 2015 is 19.7%.



3. The number of permanent employee on the rolls of the Company as of 31st March, 2016 and 31st March, 2015 were 90 and 96 respectively.
4. There is no variable component in the remuneration of Directors and other KMPs.
5. During fiscal 2016, no employee received remuneration in excess of highest-paid director.
6. The net profit growth during fiscal 2016 over 2015 was 7.4%, however total revenue declined by 19.8%. The aggregate remuneration of employees excluding WTDs grew by 9.8% over the previous fiscal. The aggregate decrease in salary for WTD and other KMP was 19.3% in fiscal 2016 over fiscal 2015. The remuneration of Directors Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal was 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. This was however, considered and paid during the financial year 2014-15. The directors remuneration of 2014-15, therefore includes the enhanced part of remuneration of 2013-14. 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. Ramesh Chander Khandelwal 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. It is affirmed that the remuneration is as per the remuneration policy of the company.
9. Our Market capitalization increased by 64.29% to Rs. 2612 lacs as of March 31, 2016 from Rs. 1589.92 lacs as of March 31, 2015. The price earning ratio was 17.22 as of March 31, 2016 which was an increase of 52.38% as compared to March 31, 2015. The closing price of the Company's Equity shares on the BSE as of March 31, 2016 was Rs. 35.65 representing a 257% increase over the IPO price.

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 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 Company has internal control system commensurate with its size and nature of business, to ensure that all assets are safeguarded and protected against unauthorized use and that all transactions are authorized, recorded and correctly reported. The internal risks are identified which in turn are allocated to respective designated owners to manage and control the risks. Assets are fully insured against all threats to mitigate risks against unforeseen events.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

ACKNOWLEDGEMENT

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 Ltd, 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

Place : New Delhi

Date : 28.07.2016

Ramesh Chander Khandelwal
Chairman

DIN : 00124085

Annexures to the Board's ReportAnnexure 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 :

| S. No | Particulars | Details |
|-------|---|---------|
| 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 arrangement or transactions at arm's length basis :

| Name of related Party | Nature of Relationship | Nature of Transaction | Duration of Contract | Date of Approval | Amount (Rs. in lacs) | Salient Terms |
|--------------------------------------|--|-----------------------|-------------------------|------------------|----------------------|------------------------|
| M/s Kochar Agro Industries Pvt. Ltd. | Enterprise in which Mr. Ramesh Chander Khandelwal and Mr. Pramod Khandelwal, Directors of the Company have Substantial interest. | Sales/Job Work | 01.04.2014-31.03.2019 | 11.02.2014 | 77.36 | Prevailing Market Rate |
| | | Advance Received | 01.04.2014-31.03.2019 | 11.02.2014 | 110.00 | |
| | | Rent | 26.09.2014 - 26.09.2017 | 11.02.2014 | 24.00 | |

No advances were paid for the above related party transactions.

**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2016**

[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 **31st March, 2016** 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 31st March, 2016, 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; **(Not applicable to the company during the audit period)**
- (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 and notified by Ministry of Corporate affairs.



(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 unsecured loan from the Directors and a Declaration from the Directors that the Loan provided is from his owned fund and not borrowed fund have been obtained by the Company.
2. The Board has obtained a Special Resolution of the Shareholders under Section 180(1)(a) and 180(1) (c) at the Last Annual General Meeting of the Company as per General Circular 04/2014 of Ministry of Corporate affairs.
3. The Unclaimed Dividend for the year 2007-08 has been transferred timely to the Investor Education and Protection Fund.
4. 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.

**For ManjuLaur & Associates
Company Secretary in Practice**

**Anu Gupta
Partner
ACS. A33206
C.P.No.:12227**

**Date : 30.05.2016
Place : New Delhi**

**Annexure - 3**

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

A. POWER AND FUEL CONSUMPTION

| | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|-----------------------------|----------------------------------|----------------------------------|
| (i) Electricity | | |
| (a) Purchased ('000 Units) | 2872.12 | 3518.20 |
| Total Amount (Rs. in lacs) | 265.66 | 287.33 |
| Rate per unit (Rs.) | 9.25 | 8.17 |
| (b) Own Generation | | |
| (D.G. Set) ('000 Units) | 383.12 | 277.36 |
| Total Amount (Rs. in lacs) | 58.75 | 50.64 |
| Cost per unit (Rs.) | 15.33 | 18.26 |
| (ii) Diesel Oil/C-9 : | | |
| Quantity (Kilo Litres '000) | 191.00 | 211.99 |
| Total Amount (Rs. in lacs) | 92.30 | 115.22 |
| Average Rate (Rs./Litre) | 48.32 | 54.35 |
| (iii) PNG : | | |
| Quantity (SCM '000) | 520.77 | 454.54 |
| Total Amount (Rs. in lacs) | 184.14 | 197.29 |
| Average Rate (Rs./SCM) | 35.36 | 43.41 |

B. Consumption per unit of production

| | Production Unit | | |
|------------------|-----------------|--------|--------|
| Electricity(KWH) | MT | 145.36 | 151.55 |

1. Conservation of energy:

The company has installed solar panels to energise part of the operations of the company and the same has been successfully implemented. Further the Company has taken steps to improve the power factor by installation of KVAR Switchboard Panels. Total capital investment made during the course of the year was Rs. 25 lacs.

(B) Technology absorption :

In its quest to continuously improve quality of its products, the Company has installed Online Thickness Gauge Instrumentation in its second CR Mill too and this has yielded excellent results on thickness accuracies as a result of online thickness assessment of the product.

The Company has also successfully implemented the first phase of ERP System covering all the major areas of commercial operations. 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 31.03.2016

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

| | | |
|-----|--|---|
| i | CIN | L74899DL1994PLC063387 |
| ii | Registration Date | 12/12/1994 |
| li | 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 |
| vi | Whether listed company | Yes, with BSE Limited |
| vii | Name, Address and Contact details of Registrars and Share Transfer Agent | Link Intime India Pvt. Ltd, 44, Community Centre, 2 nd Floor, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110 028. |

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| Sl. 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% |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name And Address of the Company | CIN/ GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|--------|---------------------------------|----------|--------------------------------|------------------|--------------------|
| NIL | | | | | |

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

| i. Category-wise Share Holding | | | | | | | | | | |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|--|
| Category of Shareholders | Shareholding at the beginning of the year 01-04-2015 | | | | Shareholding at the end of the year 31-03-2016 | | | | % Change during the year | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Shareholding of Promoter and Promoter Group | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a. Individual/ HUF | 2940999 | 0 | 2940999 | 40.14 | 2960998 | 0 | 2960998 | 40.41 | 0.27 | |
| 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 |
| Sub-total (A) (1) | 4355199 | 0 | 4355199 | 59.44 | 4375198 | 0 | 4375198 | 59.71 | 0.27 |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A)(2) | 0 | 70000 | 70000 | 0.96 | 0 | 70000 | 70000 | 0.96 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A) (2) | 4355199 | 70000 | 4425199 | 60.40 | 4375198 | 70000 | 4445198 | 60.67 | 0.27 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| 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 |
| Sub-total (B)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2) Non- Institutions | | | | | | | | | |
| a. Bodies Corp. | | | | | | | | | |
| i) Indian | 770084 | 1144900 | 1914984 | 26.14 | 736712 | 1144900 | 1881612 | 25.68 | (0.45) |
| 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 | 237710 | 206202 | 443912 | 6.06 | 205530 | 203902 | 409432 | 5.59 | (0.47) |



| | | | | | | | | | |
|---|----------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|---------------|
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 197245 | 126400 | 323645 | 4.42 | 221400 | 126400 | 347840 | 4.75 | 0.33 |
| 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 | 39960 | 178100 | 218060 | 2.98 | 29485 | 177100 | 206585 | 2.82 | (0.16) |
| (5) Hindu Undivided Families | 0 | 0 | 0 | 0.00 | 35858 | 0 | 35858 | 0.49 | 0.49 |
| (6) Clearing Member | 1000 | 0 | 1000 | 0.01 | 275 | 0 | 275 | 0.00 | (0.01) |
| Sub*total (B)(2) | 1245999 | 1655602 | 2901601 | 39.60 | 1229300 | 1652302 | 2881602 | 39.33 | (0.27) |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 1245999 | 1655602 | 2901601 | 39.60 | 1229300 | 1652302 | 2881602 | 39.33 | (0.27) |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 5601198 | 1725602 | 7326800 | 100.00 | 5604498 | 1722302 | 7326800 | 100.00 | 0.00 |

ii. Shareholding of Promoters

| S. No. | Shareholder's Name | No. of Shares held at the beginning of the year (01.04.2015) | | | No. of Shares held at the end of the year (31.03.2016) | | | % change in share holding 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 | 1193391 | 16.29 | 0 | 1213390 | 16.56 | 0 | 0.27 |
| 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 |



| S. No. | Shareholder's Name | No. of Shares held at the beginning of the year (01.04.2015) | | | No. of Shares held at the end of the year (31.03.2016) | | | % change in share holding 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 | |
| 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 |
| | Total | 4425199 | 60.40 | 0 | 4445198 | 60.67 | 0 | 0.27 |

iii. Change in Promoters' Shareholding

| S. No. | Particulars | Shareholding at the beginning of the year (01.04.2015) | | Cumulative Shareholding during the year 2016 | |
|--------|------------------------------|--|----------------------------------|--|----------------------------------|
| | | 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 | 4425199 | 60.40 | 4425199 | 60.40 |
| 2 | Purchase of Shares | 19999 | 0.27 | 4445198 | 60.67 |
| 3 | At the End of the year | | | 4445198 | 60.67 |

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year 01-04-2015 | | Transactions during the year | | Cumulative Shareholding during the year - 2016 | |
|--------|--------------------------------------|--|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of Transaction | No. of shares | No. of shares held | % of total shares of the company |
| 1 | Lehartechologies.Com Private Limited | 501752 | 6.85 | - | - | 501752 | 6.85 |
| | At the end of the year | | | | | 501752 | 6.85 |
| 2 | Bondwell Financial Services P Ltd | 441100 | 6.02 | - | - | 441100 | 6.02 |
| | At the end of the year | | | | | 441100 | 6.02 |



| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year 01-04-2015 | | Transactions during the year | | Cumulative Shareholding during the year - 2016 | |
|--------|-------------------------------------|--|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of Transaction | No. of shares | No. of shares held | % of total shares of the company |
| | Lehartechologies.Com | | | | | | |
| 3 | Microne Tex Fab Private Limited | 360000 | 4.91 | | | 360000 | 4.91 |
| | Transfer | | | 27 July, 2015 | (20000) | 340000 | 4.64 |
| | At the end of the year | | | | | 340000 | 4.64 |
| 4 | A K Softech Private Limited | 202000 | 2.76 | - | - | 202000 | 2.76 |
| | At the end of the year | | | | | 202000 | 2.76 |
| 5 | Geometal Resources Pvt Ltd | 167300 | 2.28 | - | - | 167300 | 2.28 |
| | At the end of the year | | | | | 167300 | 2.28 |
| 6 | Skytone Leasing & Finance Ltd | 147400 | 2.01 | - | - | 147400 | 2.01 |
| | At the end of the year | | | | | 147400 | 2.01 |
| 7 | Snehalatha Singhi | 98765 | 1.35 | - | - | 98765 | 1.35 |
| | At the end of the year | | | | | 98765 | 1.35 |
| 8 | Rajendra Prasad Gupta | 51300 | 0.70 | - | - | 51300 | 0.70 |
| | At the end of the year | | | | | 51300 | 0.70 |
| 9 | Vinay Khandelwal | 46700 | 0.64 | - | - | 46700 | 0.64 |
| | At the end of the year | | | | | 46700 | 0.64 |
| 10 | Sparkling India Finshares Ltd | 40000 | 0.55 | - | - | 40000 | 0.55 |
| | At the end of the year | | | | | 40000 | 0.55 |

v. Shareholding of Directors and Key Managerial Personnel:

| S. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year 01.04.2015 | | Cumulative Shareholding during the year 2016 | | |
|--------|---|--|----------------------------------|--|----------------------------------|-------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1. | Mr. Pramod Khandelwal | | | | | |
| | At the beginning of the year | 1193391 | 16.29 | 1193391 | 16.29 | |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): | | | | | |
| | Date | Reason | | | | |
| | 27.07.2015 | Purchase | 19999 | 0.27 | 1213390 | 16.56 |



| S. No. | | Shareholding at the beginning of the year 01.04.2015 | | Cumulative Shareholding during the year 2016 | |
|----------|--------------------------------------|--|-------|--|--------------|
| | | | | | |
| | At the End of the year | | | 1213390 | 16.56 |
| 2 | Mr. Ramesh Chander Khandelwal | | | | |
| | At the beginning of the year | 1043858 | 14.25 | 1043858 | 14.25 |
| | Date wise Increase / Decrease | 0 | 0 | 0 | 0 |
| | At the End of the year | | | 1043858 | 14.25 |
| 3 | Mr. Ayodhya Prasad Khandelwal | | | | |
| | At the beginning of the year | 15200 | 0.21 | 15200 | 0.21 |
| | Date wise Increase / Decrease | 0 | 0 | 0 | 0 |
| | At the End of the year | | | 15200 | 0.21 |
| 4 | Mr. R. A. Sharma | | | | |
| | At the beginning of the year | 100 | 0.00 | 100 | 0.00 |
| | Date wise Increase / Decrease | 0 | 0 | 0 | 0 |
| | At the End of the year | | | 100 | 0.00 |
| 5 | Ms. Rupali Aggarwal | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date Wise Increase / Decrease | 0 | 0 | 0 | 0 |
| | At the End of the year | | | 0 | 0 |

5. 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 | 1341.27 | -- | -- | 1341.27 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i+ii+iii) | | | | |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 284.95 | 120.00 | -- | 404.95 |
| • Reduction | -- | -- | -- | -- |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1626.22 | 120.00 | -- | 1746.22 |
| ii) Interest due but not paid | -- | -- | -- | -- |
| iii) Interest accrued but not due | -- | -- | -- | -- |
| Total (i+ii+iii) | 1626.22 | 120.00 | -- | 1746.22 |


6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Rs. In lacs)

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|--------|---|-------------------------|-------------------------------|-------------------------------|--------------------|
| | | Mr. Pramod Khandelwal | Mr. Ramesh Chander Khandelwal | Mr. Ayodhya Prasad Khandelwal | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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 | 72.00 -- -- | 72.00 -- -- | 15.00 -- -- | 159.00 -- -- |
| 2. | Stock Option | -- | -- | -- | -- |
| 3. | Sweat Equity | -- | -- | -- | -- |
| 4. | Commission - as % of profit - others, specify. | -- -- | -- -- | -- -- | -- -- |
| 5. | Others, please specify | -- | -- | -- | -- |
| | Total (A) | 72.00 | 72.00 | 15.00 | 159.00 |
| | Ceiling as per the Act | 84.00 | 84.00 | 84.00 | 252.00 |

B. Remuneration to other directors:
(Amount in Rs.)

| S. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|---------------------------|------------------------|----------------|--------------|
| | | Mr. Virendra Kumar Hajela | Mr. Satish Kumar Gupta | Ms. Neha Gupta | |
| 1. | Independent Directors | | | | |
| | • Fee for attending Board committee meetings | 6,000 | 32,000 | 24,000 | 62,000 |
| | • Commission | - | - | - | - |
| | • Others, please specify | - | - | - | - |
| | Total (1) | 6,000 | 32,000 | 24,000 | 62,000 |
| 2. | Other Non-Executive Directors | - | - | - | - |
| | • Fee for attending Board committee meetings | - | - | - | - |
| | • Commission | - | - | - | - |
| | • Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B) = (1 + 2) | 6,000 | 32,000 | 24,000 | 62,000 |
| | Total Managerial Remuneration | - | - | - | - |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD***(Rs. In lacs)*

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | |
|---------|--|--------------------------|---|
| | | Mr. R. A. Sharma (CFO) | Ms. Rupali Aggarwal (Company Secretary) |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961 | 12.45 | 3.60 |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit - others, specify. | - | - |
| 5. | Others, please specify | - | - |
| | Total | 12.45 | 3.60 |

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

**Annexure : 5****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 there under 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

The steel market has been dominated by China, accounting for almost half of the global market. The economic environment facing the steel industry continues to be challenging with China's slowdown impacting globally. The global steel market is suffering from insufficient investment expenditure and continued weakness in the manufacturing sector. The next year will be another year of contraction in steel demand in China, however growth in demand for steel in all markets except China is expected in 2017. On a positive note, some emerging economies in South and Southeast Asia show resilient growth and along with NAFTA and the EU will support a recovery in 2017. It is expected that steel demand outside China will continue to grow by 1.8% in 2016 and this growth will accelerate to 3.0% in 2017. Further lower oil prices have alleviated inflationary pressure in oil importing countries, giving room for monetary stimulus to boost economic growth and providing opportunities for structural reforms. The steel market is expected to grow at a slow rate in the 2015-2020 before accelerating at a higher rate in 2020-2025. Global steel trends have a direct impact on domestic steel industry. However, the government has taken steps to insulate the Indian steel industry by imposition of Minimum Import Price in February 2016 and it augurs well for the domestic steel industry that the government is sensitive and responsive to the needs of the Indian steel industry.

On the domestic front, the main factors that may lead to a significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in the country. The construction, automobile and white goods industries will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel over the next decade. India's prospects are brightening due to low oil prices, the reform momentum and policies to increase infrastructure and manufacturing output. It is expected that India's steel demand will increase by 5.4% in both 2016 and 2017 reaching 88.3 Mt in 2017.

RISKS, THREATS AND CONCERNS

Global steel demand over the next decade will mainly depend on the emerging economies. However, economic conditions for the global steel industry remain uncertain and challenging. It is expected that an oversupply will remain over the next decade. This will be mainly attributed to the resistance of China to cut production levels as well as the declining demand across the world. The protection that the government seeks to provide to the Indian steel industry, as demonstrated by the recent imposition of Minimum Import Price is also expected to give diminishing returns with progression of time.

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 31.03.2016 | For the year ended on 31.03.2015 |
|------------------------------|-------------------------------------|-------------------------------------|
| Revenue from Operation (Net) | 9153 | 11427 |
| Other Income | 41 | 34 |
| Profit before Finance Cost | 358 | 406 |
| Finance Cost | 123 | 199 |
| Profit before Tax | 234 | 207 |
| Tax | 83 | 66 |
| Profit after Tax | 151 | 141 |

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

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

**Independent Auditor's Report****To the Members of****METAL COATINGS (INDIA) LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **METAL COATINGS (INDIA) LIMITED** (“the Company”), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management 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 that give a true and fair view of the financial position, 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 misstatement, whether due to fraud or error.

Auditor's 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 thereunder.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 aforesaid 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, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, 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 purposes of our audit.



- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other 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 derivatives contracts for which there were any material foreseeable losses.; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N

Aastha Jain
Partner
M.No. 519915

Date : 30 May, 2016

Place: New Delhi, India

**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, 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 at reasonable intervals and no material discrepancies have been noticed on physical verification as confirmed by the management. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The Company has been regular in following the procedures of physical verification of inventories which is reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion and on the basis of the 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, Limited Liability Partnerships 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) (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made, securities and guarantees given.
- (v) The Company has not accepted any deposit from the public. Thus, paragraph 3(v) of the Order is not applicable.
- (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 explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, the dues of income-tax, sales- tax, wealth-tax, service tax, duty of customs, duty of excise , value added tax not deposited on account of any dispute are as follow:

| Nature of statute | Nature of The dues | Amount (In lacs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--------------------|------------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 11.52 | Assessment Year 2012-13 | CIT (Appeals) |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution, banks, government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they are raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its



officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanation given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N

Aastha Jain
Partner
M.No. 519915

Date : 30 May, 2016
Place: New Delhi, India

**Annexure - B to Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **METAL COATINGS (INDIA) LIMITED** ("the Company") as on 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N**

**Aastha Jain
Partner
M.No. 519915**

**Date : 30 May, 2016
Place: New Delhi, India**

**BALANCE SHEET AS AT 31 MARCH, 2016****(Rs. in lacs)**

| PARTICULARS | Note No. | As at 31.03.2016 | | As at 31.03.2015 | |
|--------------------------------|-----------------|-------------------------|-----------------------|-------------------------|-----------------------|
| EQUITY AND LIABILITIES | | | | | |
| Shareholders' funds | | | | | |
| (a) Share capital | 1 | 732.68 | | 732.68 | |
| (b) Reserves and surplus | 2 | 1499.83 | 2232.51 | 1436.67 | 2169.35 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 3 | 6.02 | | 13.82 | |
| Deferred tax liabilities (net) | 4 | 55.71 | | 70.30 | |
| Long-term provisions | 5 | 91.81 | 153.54 | 63.68 | 147.80 |
| Current liabilities | | | | | |
| Short-term borrowings | 6 | 1727.35 | | 1310.38 | |
| Trade payables | 7 | 54.72 | | 10.77 | |
| Other current liabilities | 8 | 218.44 | | 196.32 | |
| Short-term provisions | 9 | 82.03 | 2082.54 | 129.71 | 1647.18 |
| TOTAL | | | <u>4468.59</u> | | <u>3964.33</u> |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Fixed assets | 10 | 777.94 | | 815.89 | |
| Non-current investments | 11 | 300.00 | | 300.00 | |
| Long Term Loans & Advances | 12 | 10.91 | 1088.85 | 10.91 | 1126.80 |
| Current assets | | | | | |
| Inventories | 13 | 925.41 | | 670.44 | |
| Trade receivables | 14 | 1984.72 | | 1952.52 | |
| Cash and bank balances | 15 | 333.28 | | 137.01 | |
| Short-term loans and advances | 16 | 136.33 | 3379.74 | 77.56 | 2837.53 |
| TOTAL | | | <u>4468.59</u> | | <u>3964.33</u> |

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 : 30.05.2016
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, 2016****(Rs. in lacs)**

| Particulars | Note No. | For the year ended 31.03.2016 | For the year ended 31.03.2015 |
|---|-----------------|--|--|
| INCOME | | | |
| Revenue from operations (Gross) | 17 | 10241.81 | 12753.06 |
| Less : Excise Duty | | 1088.52 | 1326.11 |
| Revenue from operations (Net) | | 9153.29 | 11426.95 |
| Other Income | 18 | 40.82 | 34.48 |
| Total revenue | | 9194.11 | 11461.43 |
| EXPENDITURE | | | |
| Cost of materials consumed | 19 | 7040.04 | 9287.94 |
| Changes in inventories of finished goods & work-in-progress | 20 | 98.69 | 59.15 |
| Employee benefits expense | 21 | 471.83 | 453.26 |
| Finance costs | 22 | 122.76 | 199.01 |
| Depreciation and amortisation expense | 23 | 77.19 | 77.17 |
| Other expenses | 24 | 1148.99 | 1177.94 |
| Total expenses | | 8959.50 | 11254.47 |
| Profit Before Tax | | 234.61 | 206.96 |
| Tax Expenses | | | |
| Current Tax | | 93.75 | 66.92 |
| Tax adjustments relating to previous years | | 4.09 | 0.30 |
| Deferred Tax | | (14.58) | (1.13) |
| Profit for the year | | 151.35 | 140.87 |
| Earnings per equity share of face value of Rs. 10 each | | | |
| Basic and Diluted (in Rs.) | 25 | 2.07 | 1.92 |
| 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 : 30.05.2016
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, 2016 (CLAUSE 32 OF LISTING AGREEMENT)**

| Particulars | For the period ended 31.03.2016 | | For the period ended 31.03.2015 | |
|--|---|-----------------|------------------------------------|----------|
| | A. Cash flow from Operating Activities : | | | |
| Net Profit before taxes and Extraordinary Items | | 234.61 | | 206.96 |
| Adjustment for | | | | |
| (Profit)/Loss on sale of Fixed Assets-Net | (0.11) | | - | |
| Depreciation | 77.19 | | 77.17 | |
| Interest paid | 115.54 | 192.62 | 185.21 | 262.38 |
| Operating profit before working capital changes | | 427.23 | | 469.34 |
| (Increase)/Decrease in Sundry Debtors | (32.20) | | (48.30) | |
| (Increase)/Decrease in Inventories | (254.97) | | 112.26 | |
| (Increase)/Decrease in Loans & Advances | (58.77) | | 69.31 | |
| Increase/(Decrease) in Current Liabilities | 70.28 | | 83.12 | |
| Increase/(Decrease) in Short & Long term provisions | (19.56) | (295.22) | (55.09) | 161.30 |
| Cash generated from operations | | 132.01 | | 630.64 |
| Interest paid | (112.99) | | (181.06) | |
| Extraordinary Items: | | | | |
| Tax and Interest on tax paid for earlier year | (4.09) | | (0.30) | |
| Tax Paid | (93.75) | (210.83) | (66.92) | (248.28) |
| Net cash from operating activities | | (78.82) | | 382.36 |
| B. Cash flow from investing activities | | | | |
| Additions to fixed assets (including capital work in progress and advances on capital account) | (49.75) | | (49.09) | |
| Proceeds from sales of Fixed Assets | 10.63 | | 1.08 | |
| Proceeds from sales of Investment | -- | | -- | |
| Purchase of investments | -- | | -- | |
| Net cash from Investing Activities | | (39.12) | | (48.01) |
| C. Cash flow from Financing Activities | | | | |
| Proceeds from new borrowings | 120.00 | | -- | |
| Dividend Paid (Including Dividend Distribution Tax) | (88.19) | | | |
| Repayment of interest on car Loan | (2.55) | | (4.15) | |
| Proceeds from preferential issue of shares | -- | | -- | |
| Repayment of borrowing | 284.95 | | (312.57) | |
| Net cash from Financing Activities | | 314.21 | | (316.72) |
| Net cash flows during the year (A+B+C) | | 196.27 | | 17.63 |
| Cash and cash equivalents (Opening balance) | | 137.01 | | 119.38 |
| Cash and cash equivalents (Closing balance) | | 333.28 | | 137.01 |

Notes to cash flow statement:

- Figures in brackets indicate cash out flows.
- Interest paid relates to the charge of the year and is considered part of operating activities.
- Bank borrowings have been grouped as part of financing activities.
- 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

For and on behalf of the Board

(AASTHA JAIN)
Partner
Membership No. 519915

R. C. Khandelwal
Chairman
DIN : 00124085

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Managing Director
DIN : 00124082

Date : 30.05.2016
Place : New Delhi

Rupali Aggarwal
Company Secretary
PAN : ASLPA9829J

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 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, 2013, 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 III to the Companies Act, 2013.

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.

I. 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**

**Place : New Delhi
Date : 30.05.2016**

**PRAMOD KHANDELWAL
Managing Director
DIN : 00124082**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. in lacs)

| | | |
|---|-------------------|-------------------|
| 1 SHARE CAPITAL | As at | As at |
| Authorised Capital | 31.03.2016 | 31.03.2015 |
| 80,00,000 (Previous Year 80,00,000) Equity Shares of Rs. 10/- each. | 800.00 | 800.00 |
| Issued , Subscribed & Paid up Capital | | |
| 73,26,800 (Previous Year 73,26,800) Equity Shares of Rs. 10/- each. | 732.68 | 732.68 |

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

| | <u>As at 31.03.2016</u> | | <u>As at 31.03.2015</u> | |
|--|-------------------------|--------------|-------------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| a Khandelwal Galva Strips Pvt. Ltd. | 1414200 | 19.30 | 1414200 | 19.30 |
| b Pramod Khandelwal | 1213390 | 16.56 | 1193391 | 16.29 |
| c Ramesh Chander Khandelwal | 1043858 | 14.25 | 1043858 | 14.25 |
| d Lehartechologies.Com Pvt. Limited | 501752 | 6.85 | 501752 | 6.85 |
| e Bondwell Financial Services (P) Ltd. | 441100 | 6.02 | 441100 | 6.02 |
| | <u>4614300</u> | <u>62.98</u> | <u>4594301</u> | <u>62.71</u> |

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

| | No. of Shares | No. of Shares |
|--|----------------|---------------|
| Equity Shares at the beginning of the year | 7326800 | 7326800 |
| Add : Shares issued | -- | -- |
| Less : Shares bought back | -- | -- |
| Equity Shares at the end of the year | 7326800 | 7326800 |

1.3 Rights, preference and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors are subject to shareholders approval in ensuing AGM except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amount in proportion to their shareholding.

(Rs. in lacs)

| | <u>As at</u> | | <u>As at</u> | |
|--|-------------------|----------------|-------------------|----------------|
| | <u>31.03.2016</u> | | <u>31.03.2015</u> | |
| 2 RESERVE & SURPLUS | | | | |
| Surplus in statement of Profit & Loss | | | | |
| Balance at the beginning of the year | 1268.78 | | 1215.83 | |
| Add: Profit for the year | 151.35 | | 140.87 | |
| Less : Appropriations | | | | |
| Less : Interim Dividend | 73.27 | | 73.27 | |
| Less : Dividend distribution tax | 14.92 | 1331.94 | 14.65 | 1268.78 |
| General Reserve | | | | |
| As per last Balance Sheet | 26.16 | | 26.16 | |
| Add: Addition during the year | -- | 26.16 | -- | 26.16 |
| Security Premium | | | | |
| As per last Balance Sheet | 135.59 | | 135.59 | |
| Add: Addition during the year | -- | 135.59 | -- | 135.59 |
| Capital Reserve | | | | |
| As per last Balance Sheet | 6.14 | | 6.14 | |
| Add: Addition during the year | -- | 6.14 | -- | 6.14 |
| Total | | <u>1499.83</u> | | <u>1436.67</u> |

3 LONG TERM BORROWINGS

| | | | | |
|--|------|------|-------|-------|
| Secured | | | | |
| Car Loan from Bank | 6.02 | 6.02 | 13.82 | 13.82 |
| (Secured against hypothecation of Motor Vehicles purchased out of such loan) Loan of Rs. 52.50 lacs (HDFC Bank-14.00 lacs, HDFC Bank - 6.50 lacs and BMW Financial Services-32.00 lacs) repayable all in 36 installments. Current outstanding balance amounting to Rs. 18.88 lacs out of which installments payable with in next one year is Rs. 12.86 lacs classified as current liability carrying interest rate of 10.50% p.a. and 10.05% p.a. in case of HDFC Bank and 8.33% p.a. in case of BMW Financial Services. | | | | |



(Rs. in lacs)

| | As at 31.03.2016 | | As at 31.03.2015 | |
|---|---------------------|----------------|---------------------|----------------|
| 4 DEFERRED TAX | | | | |
| Deferred Tax Assets | | | | |
| Provision for Leave Encashment and Gratuity | 49.12 | | 30.30 | |
| Deferred Tax Liabilities | | | | |
| Timing difference on depreciation and amortization of tangible, intangible assets | 104.83 | | 100.60 | |
| Deferred taxes Liabilities, net | | 55.71 | | 70.30 |
| 5 LONG TERM PROVISIONS | | | | |
| Gratuity | 77.12 | | 55.05 | |
| Earned Leave | 14.69 | 91.81 | 8.63 | 63.68 |
| 6 SHORT TERM BORROWINGS | | | | |
| 6.1 Secured | | | | |
| Working Capital Limit from Bank (Secured against hypothecation of book debts, inventories and by way of mortgage of land, buildings and Plant & Machinery and fixed deposits under lien. 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 two whole time directors and Managing | | 1607.35 | | 1310.38 |
| 6.2 Unsecured | | | | |
| Ramesh Chandra Khandelwal | 120.00 | 120.00 | -- | -- |
| Total | | 1727.35 | | 1310.38 |
| 7 TRADE PAYABLES | | | | |
| Micro, Small and Medium Enterprises | -- | | -- | |
| Payable with in operating Cycle | 54.72 | 54.72 | 10.77 | 10.77 |
| 8 OTHER CURRENT LIABILITIES | | | | |
| Current maturity of long term debts* | 12.86 | | 17.07 | |
| Unpaid Dividend | 45.45 | | 18.96 | |
| Payable in respect of statutory dues | 27.47 | | 23.43 | |
| Advance received from customers | 56.12 | | 38.02 | |
| Employee Benefits Payable | 39.31 | | 45.95 | |
| Other Payables | 37.23 | 218.44 | 52.89 | 196.32 |
| * : 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. | | | | |
| 9 SHORT TERM PROVISIONS | | | | |
| Gratuity | 47.50 | | 25.58 | |
| Earned Leave | 9.24 | | 4.12 | |
| Provision for wealth tax | -- | | 0.43 | |
| Proposed Dividend on Equity Shares | -- | | 73.27 | |
| Dividend Distribution Tax | -- | | 14.65 | |
| Provision for Income Tax (Net) | 25.29 | 82.03 | 11.66 | 129.71 |
| 10 FIXED ASSETS | | | | |

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------------|--------------|---------------------|---------------------------|---------------------------|---------------------------------------|--------------------------------|---------------------------|---------------------|---------------------|
| | Total as on 01.04.2015 | Additions | Sold / Discarded | Total as on 31.03.2016 | Total as on 01.04.2015 | For the period ended 31.03.2016 | Dep. On discarded assets | Total as on 31.03.2016 | As on 31.03.2016 | As on 31.03.2015 |
| Land | 81.87 | 3.30 | --- | 85.17 | --- | --- | --- | --- | 85.17 | 81.87 |
| Buildings | 432.65 | --- | --- | 432.65 | 140.35 | 11.23 | --- | 151.58 | 281.07 | 292.30 |
| Leasehold Improvements | 15.50 | --- | --- | 15.50 | 6.92 | 0.44 | --- | 7.36 | 8.14 | 8.58 |
| Plant & Machinery | 1087.32 | 38.43 | 32.37 | 1093.38 | 761.30 | 43.24 | 21.85 | 782.69 | 310.69 | 326.02 |
| Motor Vehicles | 165.09 | 7.68 | --- | 172.77 | 62.75 | 21.07 | --- | 83.82 | 88.95 | 102.34 |
| Furniture, Fixtures | 2.98 | --- | --- | 2.98 | 1.59 | 0.14 | --- | 1.73 | 1.25 | 1.39 |
| Office Equipment | 6.17 | --- | --- | 6.17 | 5.07 | 0.31 | --- | 5.38 | 0.79 | 1.10 |
| Computers | 4.49 | 0.35 | --- | 4.84 | 3.78 | 0.24 | --- | 4.02 | 0.82 | 0.71 |
| Intengible Assets | 1.65 | --- | --- | 1.65 | 0.07 | 0.52 | --- | 0.59 | 1.06 | 1.58 |
| Total | 1797.72 | 49.76 | 32.37 | 1815.11 | 981.83 | 77.19 | 21.85 | 1037.17 | 777.94 | 815.89 |
| Previous year | 1770.34 | 49.09 | 21.71 | 1797.72 | 925.29 | 77.17 | 20.63 | 981.83 | 815.89 | 845.05 |



| | | <u>As at 31.03.2016</u> | | <u>As at 31.03.2015</u> | |
|-----------|---|-------------------------|---------------------------|-------------------------|---------------------------|
| | | (Rs. in lacs) | | | |
| 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 | | 10.91 | |
| | Capital Advances | -- | 10.91 | -- | 10.91 |
| 13 | INVENTORIES | | | | |
| | Raw Materials | 599.75 | | 245.43 | |
| | Stores & Spares | 0.86 | | 1.52 | |
| | Work in Process | 240.34 | | 413.46 | |
| | Scrap Material | 5.15 | | 10.03 | |
| | Finished Goods | 79.31 | 925.41 | -- | 670.44 |
| 14 | TRADE RECEIVABLES | | | | |
| | (Unsecured and considered good) | | | | |
| | Over six months from the due date | 37.38 | | 7.48 | |
| | Others | 1947.34 | 1984.72 | 1945.04 | 1952.52 |
| 15 | CASH AND BANK BALANCES | | | | |
| a | Cash and Cash equivalents | | | | |
| | Cash in hand | 8.88 | | 8.87 | |
| | Balance with Banks | 1.62 | | 1.41 | |
| b | Other Bank Balances | | | | |
| | -Unpaid Dividend (current account)* | 45.45 | | 18.96 | |
| | -Fixed Deposits** | 277.33 | 333.28 | 107.77 | 137.01 |
| | * An amount of Rs. 2.15 lacs has been transferred to Investor Education and protection funds pertaining to financial year 2007-08, not included above | | | | |
| | ** : Pledged with bank against CC limits. This includes margin money amounting to Rs. 37.40 lacs (Previous Year 71.51 lacs) | | | | |
| 16 | SHORT TERM LOANS AND ADVANCES | | | | |
| | (Unsecured and considered good) | | | | |
| | Balance with Government Authorities | 77.30 | | 18.29 | |
| | Advance to Employees | 6.78 | | 9.28 | |
| | Prepaid Expenses | 6.65 | | 2.51 | |
| | Others * | 45.60 | 136.33 | 47.48 | 77.56 |
| | * Others include advance to suppliers of Rs. 11.32 lacs. (Previous Year - 13.09 lacs) | | | | |
| | | | <u>For the year ended</u> | | <u>For the year ended</u> |
| | | | <u>31.03.2016</u> | | <u>31.03.2015</u> |
| 17 | REVENUE FROM OPERATIONS | | | | |
| | Sale of Products | 10060.40 | | 12544.44 | |
| | Other operating revenues | 181.41 | 10241.81 | 208.62 | 12753.06 |
| 18 | OTHER INCOME | | | | |
| | Rent | 24.00 | | 24.00 | |
| | Interest Income | 16.37 | | 8.74 | |
| | Other non-operating income | 0.45 | 40.82 | 1.74 | 34.48 |
| 19 | COST OF MATERIALS CONSUMED | | | | |
| | H. R. Coils | 7030.58 | | 9277.96 | |
| | Wire Rods/G. P. Coils | 9.46 | 7040.04 | 9.98 | 9287.94 |
| 20 | CHANGE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS | | | | |
| | Inventories (Closing) | | | | |
| | Finished Goods | 79.31 | | -- | |
| | Scrap Material | 5.15 | | 10.03 | |
| | Work in Progress | 240.34 | 324.80 | 413.46 | 423.49 |
| | Inventories (Opening) | | | | |
| | Finished Goods | -- | | 118.25 | |
| | Scrap Material | 10.03 | | 6.64 | |
| | Work in Progress | 413.46 | 423.49 | 357.75 | 482.64 |
| | (Increase) / Decrease in Inventory | | 98.69 | | 59.15 |



| | For the year ended 31.03.2016 | | For the year ended 31.03.2015 | |
|---|----------------------------------|------------------------------|----------------------------------|--------------------------|
| 21 EMPLOYEE BENEFITS EXPENSES | | | | |
| Salaries and Wages | 444.08 | | 425.45 | |
| Contribution to Provident and other funds | 20.65 | | 18.83 | |
| Staff welfare expenses | 7.10 | 471.83 | 8.98 | 453.26 |
| a) Reconciliation of opening and closing balance of defined benefit obligation | | | | |
| | | Leave Gratuity Encashment | Leave Gratuity Encashment | |
| Obligation at beginning of year | 80.64 | 12.75 | 65.88 | 8.65 |
| Current service cost | 6.95 | 1.88 | 4.77 | 1.21 |
| Interest cost | 6.45 | 1.02 | 5.27 | 0.69 |
| Actuarial (gain) / loss | 31.94 | 8.55 | 6.53 | 2.54 |
| Benefits paid | (1.36) | (0.27) | (1.81) | (0.35) |
| Obligation at year end | 124.62 | 23.93 | 80.64 | 12.75 |
| b) Experience Adjustment | | | | |
| Experience Adjustment (Gain) / loss for Plan liabilities | 31.95 | 8.55 | 4.52 | 2.25 |
| Experience Adjustment (Gain) / loss for Plan assets | -- | -- | -- | -- |
| c) Actuarial assumptions | | | | |
| Discount rate (per annum) | 8.00% | 8.00% | 8.00% | 8.00% |
| Salary growth rate (per annum) | 7.50% | 7.50% | 7.50% | 7.50% |
| 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 |
| 22 FINANCE COST | | | | |
| Interest | 115.54 | | 185.21 | |
| Bank Charges | 7.22 | 122.76 | 13.80 | 199.01 |
| 23 DEPRECIATION AND AMORTISATION EXPENSE | | | | |
| Depreciation | 77.19 | 77.19 | 77.17 | 77.17 |
| 24 OTHER EXPENSES | | | | |
| Manufacturing expenses | | | | |
| Stores & Spares | 221.50 | | 198.29 | |
| Power & Fuel | 542.11 | | 599.84 | |
| Job Work Charges | 96.67 | | 77.05 | |
| Repair to Machinery | 148.52 | | 139.53 | |
| Repair to Building | 1.57 | 1010.37 | 5.37 | 1020.08 |
| Selling and Distribution Expenses | | | | |
| Distribution Expenses | 62.64 | 62.64 | 64.53 | 64.53 |
| Administrative & Miscellaneous Expenses | | | | |
| Bad Debts written off | -- | | 11.17 | |
| Insurance | 2.67 | | 2.44 | |
| Payment to Auditors | 5.94 | | 5.94 | |
| Professional Fee | 6.58 | | 9.55 | |
| Rates & Taxes | 6.77 | | 5.84 | |
| Rent | 0.36 | | 8.46 | |
| Travelling, Vehicle Running & Maintenance Expenses | 13.79 | | 13.60 | |
| Cash Discount | 0.33 | | -- | |
| Excise Duty Expenses | 0.31 | | -- | |
| Miscellaneous Expenses | 39.23 | 75.98 | 36.33 | 93.33 |
| TOTAL | | 1148.99 | | 1177.94 |
| 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 | 0.44 | 5.94 |
| 25 EARNING PER SHARE (EPS) | | | | |
| i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs) | | 151.35 | | 140.87 |
| ii) No. of Shares used as denominator for calculating EPS | | 7326800 | | 7326800 |
| iii) Basic and Diluted Earning per share (Rs) | | 2.07 | | 1.92 |
| iv) Face Value per equity share (Rs.) | | 10.00 | | 10.00 |
| 26 Foreign Exchange Earning and Expenditure | | | | |
| Export of goods manufactured | | -- | | -- |



27 As per information available with the company, none of its creditors comprises micro, small and medium enterprises as defined under MSMED Act, 2006 which comprise amounts outstanding for more than 45 days as at Balance Sheet date. Based on the information available with the company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is Rs. NIL (Previous year Rs. NIL) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

28 Related Party Disclosure

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

| | | | | | | (Rs. In Lacs) |
|--------------------------------------|---|----------------------------|--|------------------------------|-------------------------------|--|
| Name of related Party | Description of relationship with the party | Nature of transactions | Value of transaction for the period ended 31.03.2016 | Outstanding as on 31.03.2016 | Payable - P Receivable - R | Written off During Year ended 31.03.2016 |
| Mr. Vinay Khandelwal | Son of Mr. A. P. Khandelwal, Director and Brother of Mr. Pramod Khandelwal, Director | Rent paid/ payable | 0.36 (0.36) | -- (--) | -- (--) | Nil (Nil) |
| 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 | 13.43 (11.36) | -- (--) | -- (--) | Nil (Nil) |
| | | Advance | 110.00 (--) | -- (--) | -- (--) | Nil (Nil) |
| | | Job Work Income | 63.93 (44.28) | -- (4.05) | -- (R) | Nil (Nil) |
| | | Rent received / receivable | 24.00 (24.00) | -- (--) | -- (--) | Nil (Nil) |
| | | Investment | -- (--) | 300.00 (300.00) | -- (--) | Nil (Nil) |
| M/s SWD Industries | Firm in which Mr. A. P. Khandelwal and Mr. R.C. Khandelwal Directors of the Company are partners | Sales | -- (0.61) | 0.61 (0.61) | R (R) | Nil (Nil) |
| | | Purchases | -- (2.04) | -- (--) | -- (--) | Nil (Nil) |
| Mr. R. C. Khandelwal | Chairman | Remuneration | 72.00 (93.00) | 4.25 (12.00) | P (P) | Nil (Nil) |
| | | Unsecured Loan taken | 120.00 (--) | 120.00 (--) | P (--) | Nil (Nil) |
| Mr. Pramod Khandelwal | Managing Director | Remuneration | 72.00 (93.00) | 4.29 (12.00) | P (P) | Nil (Nil) |
| Mr. A. P. Khandelwal | Director | Remuneration | 15.00 (15.00) | 1.05 (--) | P (--) | Nil (Nil) |
| Mr. V. K. Hajela | Director | Sitting Fee | 0.06 (0.20) | 0.23 (0.18) | P (P) | Nil (Nil) |



| | | | | | | |
|-----------------|----------|-------------|----------------|----------------|-----------|--------------|
| Mr. K. L. Gupta | Director | Sitting Fee | -- (0.04) | -- (0.04) | -- (P) | Nil (Nil) |
| Mr. S. K. Gupta | Director | Sitting Fee | 0.32 (0.26) | 0.29 (0.23) | P (P) | Nil (Nil) |
| Ms. Neha Gupta | Director | Sitting Fee | 0.24 (0.14) | 0.22 (0.13) | P (P) | Nil (Nil) |

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.

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 of Punjab & Haryana. The Company has however, paid Rs. 5.25 lacs in earlier years. Also, there might be resultant liability in the nature of interest.

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

31 The Company has only one segment.

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 : 30.05.2016

Place : New Delhi

Rupali Aggarwal

Company Secretary

PAN : ASLPA9829J

R. A. Sharma

CFO

PAN : AMTPS3388J