

METAL COATINGS (INDIA) LIMITED

PROCEEDINGS OF THE 30th ANNUAL GENERAL MEETING

Day : Wednesday
Date/Time : 14th August, 2024 / 12.30 P.M.
Venue : Through video-conferencing facility

Ramesh Chander Khandelwal (Chairman):

Good afternoon, everyone. I Ramesh Chander Khandelwal being the Chairman and Whole-time Director of the company on behalf of your board and the company welcome you all at this 30th Annual General Meeting of the Company. Hope all of you are safe and in good health. I am deeply honoured to stand before you today as the Chairman & Whole Time Director of your Company and I will be chairing this meeting today. This meeting is being held through video conferencing in accordance with the circulars issued by Ministry of Corporate Affairs under the applicable provisions of the Companies Act, as well as SEBI Regulations. We have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circular issued by the MCA and Section 103 of the Companies Act, 2013. For the smooth conduct of the meeting, the members will be in the mute mode and audio will be opened when a member will speak at the meeting. The proceedings of this meeting are also being recorded for compliance purposes.

Since, the quorum being present, I hereby call this meeting to order. Before we start the main proceedings of the meeting, let me introduce my colleagues on the Board who have joined us through video conferencing/other audio-visual means:

1. Mr. Pramod Khandelwal, Managing Director of the Company and member of the Stakeholder Relationship Committee, attending this meeting from Delhi.
2. Mrs. Rupali Aggarwal, Non-Executive and Independent Director and Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of the company attending this meeting from Gurugram.
3. Mr. Sachin Khurana, Non-Executive and Independent Director and member of the Audit Committee and Nomination and Remuneration Committee of the company attending this meeting from Delhi.
4. Mrs. Deeksha Keswani, Non-Executive and Independent Director and member of the Audit Committee and Nomination and Remuneration Committee of the company attending this meeting from Kanpur.
5. Ms. Aanchal Gupta, Non-Executive and Independent Director of the Company, attending this meeting from Bangalore.

From the Management side we have the presence of:

Mr. R. A. Sharma, Chief Financial Officer of the Company, attending this meeting from Faridabad.

Further, we have:

Mr. Krishan Arora, Representative of M/s Mehra Goel and Associates, Statutory Auditor of the Company.

Mr. Chander Prakash Sharma, Internal Auditor of the Company.

Ms. Isha Tiwari, Representative of M/s CPA & Co., Secretarial Auditor of the Company.

Ms. Prachi Bansal, Practicing Company Secretary, Scrutinizer of the Remote E-voting and E-voting during the AGM.

Now, I request Mr. Pramod Khandelwal, to provide general instructions to the members regarding participation in the meeting.

Pramod Khandelwal:

Thank you, Chairman Sir.

Good afternoon, respected board members and dear shareholders. It's my great privilege to warmly welcome each of you to the 30th Annual General Meeting of Metal Coatings (India) Limited. Now I will explain the flow of the meeting to you and also brief you on how to participate and vote in this meeting.

1. Mr. Ramesh Chander Khandelwal, Chairman of the Meeting will provide a comprehensive overview of our company's performance for the financial year ended March 31, 2024. Additionally, they will discuss the current state of the industry and its implications for our business.
2. Following the briefing, members will have the opportunity to vote on the resolutions outlined in the Notice of this Annual General Meeting. Voting will be conducted electronically via the services provided by the Company's Registrar and Transfer Agent, Link Intime India Private Limited.
3. Next, I will address the questions posed by members who are present and have registered to speak at the meeting. We also encourage your suggestions, inputs, and comments. If there are additional queries about the business, that we might not be able to respond today, we will be pleased to address them at a later time.

Further, I would like to inform you general instructions regarding participation and voting at this Meeting:

1. The Company has tied up with M/s Link Intime India Private Limited to provide the facility for voting through remote e-Voting, e-Voting during the AGM and to participate in the AGM through video conference or other audio-visual means in terms of the relevant Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

2. The Statutory Registers and other documents mentioned in the AGM Notice have been made available electronically for inspection during this AGM. Members seeking to inspect any of these documents can send their request to cs@mcilindia.net. Statutory Registers are also available at Investors Section of the website of Company viz. www.mcil.net till the conclusion of the meeting.

This is to confirm that the proceedings of the AGM will be deemed to be conducted at the registered office of the Company which shall be the deemed venue of the AGM.

3. As this AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register for inspection is not available.

4. During the AGM, if any shareholder faces any technical issues, they may contact the helpline number mentioned in the Notice of the AGM. Members may note that as this AGM is being recorded, please do not disclose any sensitive personal information or personally identifiable information belonging to you.

5. We would like to inform that all the Members present in the meeting have been kept on mute mode to ensure seamless conduct of the meeting. Members who have registered themselves as speakers will get the opportunity to express their views and/or ask queries during the AGM. Members are requested to use earphone/headphone and attend the meeting from a place which has good lighting in order to ensure good audio and video quality.

6. The Company has received requests from a few members to register them as speakers at this meeting. Accordingly, the floor will be open for these members to ask questions or express their views. We will facilitate this session once the Chairman opens the floor for questions and answers. We shall be allowing them to speak once the Chairman directs the same. If you have any queries, please post the same in the chat box option available on the platform through which members have joined today's meeting.

7. Further, please remember your speaking serial number which will be appearing in the "voting registration message" once you mark your attendance for the meeting. We request the speakers to speak only when you will be invited to speak as per the serial number and limit their speech to two-three minutes for the benefit of other shareholders. Members, who would like to ask questions to the panelist, may ask queries via active chat box option during the meeting. It may be noted that the Company reserves the right to limit the number of shareholders asking questions depending on the availability of time at the AGM.

8. For better experience, we would request the speaker shareholders to verify the network connectivity, and ensure Wi-Fi is not connected to any other devices, also no other applications are running in the background.

9. If the shareholder is unable to speak due to connectivity issues, I will ask the next speaker shareholder to ask the question or offer his/her comments / suggestions. Once the connectivity improves, the concerned speaker shareholder may be called up again to join; only after all the shareholders registered as speakers have completed their turn.

10. Members who have not voted yet through the remote e-voting may click the voting button "Cast your vote" which is appearing on the right-hand side of your VC meeting screen. You may enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) during registration for InstaMeet and vote.

11. In Compliance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, the Notice of AGM and Annual Report for the financial year 2023-24 have been sent on 19th July, 2024 only through electronic mode to all the Members whose e-mail IDs are available with the Registrar & Share Transfer Agent of Companies /Depository Participant(s). In the said notice, the Company had also provided the manner in which the members who have not registered their email address can register the same. A facility was provided to all the members whose email addresses were not registered to register the same for limited purpose of receiving the AGM notice, the annual report and login credentials for participating and voting at the AGM.

12. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended till date and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings, your Company had provided to its members the right to exercise and cast their vote on the resolutions set forth in the Notice convening this Annual General Meeting by means of remote e-voting services facilitated by the Company's RTA - Link Intime India Private Limited. The remote e-voting commenced on 10th August, 2024 at 9.00 am and closed on 13th August, 2024 at 5.00 pm.

Proceedings of the AGM will also be recorded and the transcript of the same would be made available on the website of the Company at the earliest.

The Board has appointed Ms. Prachi Bansal, Practicing Company Secretary as the Scrutinizer for conducting the Remote e-voting process and E-voting at the AGM in a fair and transparent manner.

The text of the resolutions along with statement pursuant to Section 102 of the Companies Act, 2013, is provided in the Notice circulated to the members. In compliance with the MCA Circulars, the items of special business in the AGM Notice are considered unavoidable and hence are proposed for approval of the members.

Thank you. I now invite the Chairman to address the shareholders.

Over to you, sir

Mr. Ramesh Chander Khandelwal:

Thank you, Mr. Pramod Khandelwal.

Dear shareholders, on behalf of the Metal Coatings (India) Limited Board of Directors, I appreciate your support for the Company and thank you for taking the time to join us today.

Coming to the performance of your company for the year 2023-24, the revenue from operations of the Company for the year ended March 31, 2024 has decreased to 16841.44 Lakhs as compared to 17040.37 Lakhs in the previous year. This decline is attributable to several factors impacting the steel industry, including heightened competition, fluctuations in global steel prices, and pricing pressure in the key markets being catered by the company. The demand for the company's products also faced headwinds due to downstream consumers' capacity challenges, leading to a decrease in sales volume. Furthermore, the Company's profit for the year registered a marginal decline, amounting to ₹249.83 Lakhs as compared to ₹276.49 Lakhs in the previous year. This decrease in profit is primarily due to the increased cost of raw materials, conversion and overheads which exerted pressure on our margins. Additionally, the volatility in energy prices and higher freight costs contributed to the overall increase in operating expenses. Looking ahead, the Company is implementing strategic initiatives aimed at exploring new markets, and investing in technological advancements to improve production processes. These measures are expected to strengthen our competitive position and drive long-term sustainable growth. The management remains cautiously optimistic about the future prospects and is committed to navigating through these challenging times with resilience and adaptability.

Current State of The Industry

The global economy has shown remarkable resilience despite facing numerous challenges, including the Middle East crisis, Russia's invasion of Ukraine, high inflation, rising costs, and declining household purchasing power. Additionally, geopolitical uncertainties and forced monetary tightening have posed significant threats. The economy is in a better position now compared to the same period in 2023, with the risk of a global recession diminishing. By late 2023, headline inflation in most economies approached pre-pandemic levels for the first time since the global inflation surge began. As global inflation receded from its peak, economic activity increased steadily, defying predictions of stagflation and global recession.

The United States and some middle-income economies demonstrated strong economic performance, supported by robust private consumption amid still tight but easing labor markets. However, ongoing geopolitical tensions, including the Middle East crisis, the Russia-Ukraine war, and the upcoming US presidential elections, pose risks to growth in 2024. The US is expected to grow by 2.4% in 2024, while the Eurozone is projected to see a modest recovery of 0.7%, driven by declining inflation and normalizing energy prices. China experienced stronger-than-expected growth of 5.2% in 2023, with 2024 growth projected at 4.65%. However, China will face significant challenges in 2024, including industrial overcapacity, a continued slowdown in domestic demand, deepening deflation, and heightened trade tensions with the West.

The International Monetary Fund (IMF) in their latest projections have suggested global growth that will hold steady at around 3.2% for 2024 and 2025, with median headline inflation declining from 2.8% at the end of 2024 to 2.4% by the end of 2025. The growth forecast for 2024 has been revised upward from the IMF's earlier estimate of 2.9%, reflecting stronger-than-expected economic growth in the US and several major emerging markets and developing economies in the latter half of 2023, fueled by both government and private spending. Despite these positive developments, the momentum is not uniform across regions. The Euro Area is expected to experience subdued growth due to weak consumer sentiment, high energy prices, and elevated benchmark interest rates. Overall, annual average real GDP growth is expected to be 0.9% in 2024, and to strengthen to 1.4% in 2025 and 1.6% in 2026. Low-income economies will continue to face significant output losses compared to their pre-pandemic trajectories amid high borrowing costs. Although the global financial system has largely withstood unprecedented monetary tightening, with emerging market economies displaying notable resilience, the global economy still faces challenges. Growth forecasts for 2024 and 2025 remain below the historical average of 3.8% from 2000-2019.

India has emerged as a leading driver of steel demand growth since 2021, propelled by a thriving construction sector supported by robust private consumption and substantial government infrastructure spending. While the automotive sector performed well, consumer durables lagged amid inflationary pressures. Towards the end of the financial year, coking coal prices softened, but imports from China squeezed margins for domestic players and reduced international steel prices. India is expected to maintain its position as the fastest-growing large economy, with steel demand forecasted to grow approximately 8% in 2024, reaching 144 million tonnes. The interim budget signals robust demand with an 11% increase in the infrastructure budget. India's domestic steel industry is especially vulnerable to cheaper imports and demand fluctuation. According to Fitch Ratings finished steel consumption in India is expected to increase by 9% in FY25, following a 12% rise in FY24. Utilization levels are projected to remain healthy around 80%, and a strengthening net export position is anticipated as global demand improves.

Now, I would like to take this opportunity to express grateful appreciation to all employees for their hard work, dedication and commitment. Your directors also take this opportunity to thank all

Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

We will now look through the items of businesses to be transacted at this AGM.

The Notice convening the meeting setting out the ordinary and special businesses to be transacted, the explanatory statements thereto, the Annual Report which inter alia comprises Audited Accounts for the year ended 31st March, 2024 and other documents required to be attached thereto were sent online through electronic mode to those members who have registered their email address. With your concurrence, I shall take them as read.

The Statutory Auditors' report on the Annual Financial Statements of the Company for the financial year ended 31st March, 2024 and the Secretarial Audit Report for the said period do not contain any qualification, observations or comments on financial transactions or matters which would otherwise have adverse effect on the functioning of the company hence the same are not required to be read out as provided in the Companies Act, 2013 and with your permission I shall take them as read.

Since this meeting is being held through Video Conferencing or other audio visual means the resolutions mentioned in the notice convening in this AGM have already been put to vote through remote e-voting hence there is no requirement of proposing and seconding of resolutions as set out in SS-2.

I would like to inform the members that the text of resolutions and the explanatory statement, wherever applicable have been provided in the notice convening this AGM and has been circulated to the members and also available on the website of the company. Members who have not cast their vote electronically, but are participating in this meeting, will have an opportunity to cast their votes through the e-voting system provided by NSDL. Members may please note that there will be no voting by show of hands. We now take up the resolutions as set forth in the Notice. We will open the floor for any questions by members after all the resolutions are tabled. There is a total eleven agenda items. Let me brief you all: -

Items No 1. Adoption of Audited Financial Statements and reports of the Boards of Directors and Auditors thereon for the Financial Year ended 31st March, 2024.

Further, I would like to inform the shareholders that since I and Mr. Pramod Khandelwal have an interest in agenda items No. 2, 3, 4, 8, and 11. Therefore, I propose to first address the remaining agenda items i.e. item no. 5,6,7,9 & 10.

Following that, I will request Mrs. Rupali Aggarwal, Non-Executive Independent Director, to take up the remaining agenda items as stated above.

Now, moving to further Agenda Items: -

Items No 5. Re-Appointment of Mr. Sachin Khurana as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years.

Items No 6. Appointment of Mrs. Deeksha Keswani as Non-Executive Independent Director of the Company.

Items No 7. Appointment of Ms. Aanchal Gupta as Non-Executive Independent Director of the Company.

Items No 9. Ratification of the remuneration of Cost Auditor for the financial year ending 31st March, 2025.

Items No 10. Approval of the limits for the loans and investments to be made by the Company

Now, I request Mrs. Rupali Aggarwal, Non-Executive –Independent Director to take up the remaining agenda items.

RUPALI AGGARWAL:

Thank you, Chairman Sir.

Let me brief those agenda items.

Items No 2. Appointment of Mr. Ramesh Chander Khandelwal, who retires by rotation at this AGM and being eligible, offers himself for re-appointment as a director.

Items No 3. Re-Appointment of Mr. Ramesh Chander Khandelwal as Whole-time Director of the Company and fix his remuneration.

Items No 4. Re-Appointment of Mr. Pramod Khandelwal as Managing Director of the Company and fix his remuneration.

Items No 8. Approval of material related party transactions with M/s Khandelwal Busar Industries Private Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in the ordinary course of business, during the period from this Annual General Meeting till the 31st Annual General Meeting.

Items No 11. Approval of the Scheme of Loan for Managing Director and Whole-time Director

"I now invite the Chairman to continue with the proceedings of the meeting. Thank you."

RAMESH CHANDER KHANDELWAL:

Thank you, Mrs. Rupali Aggarwal,

Now, since the text of the resolutions is being provided in the notice of the AGM which is already circulated to the members and if any member desires to ask any questions pertaining to any item on the Notice, he / she may do so now. Further, members are requested to keep their questions brief and specific. To avoid repetition, answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions, depending on the availability of time.

Before beginning the question-and-answer session, I request the moderator to activate the e-voting window so as to enable the members attending the AGM who have not already cast their vote by remote e-voting to cast their vote electronically during this meeting through e-voting platform of Link

Intime India Private Limited. The window for electronic voting shall remain open till 15 minutes from closure of the meeting. Thereafter, the same shall be closed. Members may choose to vote now, please.

With this, I now hand over the proceedings to Mr. Pramod Khandelwal, Managing Director of the Company to take questions and comments from the esteemed members of the Company.

Mr. Pramod Khandelwal

Good afternoon, everyone,

Dear shareholders, thank you for joining our 30th AGM today and for taking time to participate in the proceedings. I now invite the members who have pre-registered as speaker shareholders to ask their questions or provide their comments. Before we go live with the Q&A, here are some points to note for your convenience. When your name is called and you are projected on the screen, please state your name, folio number or DP ID and client ID, and the location from which you are participating for record-keeping purposes and proceed to ask your question.

We request you to keep your questions brief and avoid repeating them to ensure everyone has a chance to speak and please limit your questions or comments for two to three minutes.

For shareholders who have not pre-registered but wish to raise queries during the meeting, please submit your questions via the active chat board.

I will attempt to answer all of them once all the shareholders have spoken.

(Mr. Raju Verma, Mr. Shrey chaurasia, Mr. Ankur Chanda, Mr. Varun Garg, Mr. Praveen Kumar, Ms. Kajal Grover, Ms. Anju Tiwari, Mr. Vimal Jain and Mr. Naman Jain, expressed their views on Company's performance and management and also sought clarifications on the Company's business operations & and future growth plans. These questions were duly answered by Mr. Pramod Khandelwal.)

I extend my thanks to all registered speakers and chat board users for their excellent questions. I will now address these questions in a consolidated manner. For questions that are specific to financial numbers, I will request my finance team to follow up with those who asked such questions after the AGM, in due course.

With this, I now hand over the proceedings to Mr. Ramesh Chander Khandelwal, Chairman of the meeting.

Mr. Ramesh Chander Khandelwal:

As all your questions and queries have been addressed, I now request members who have not yet cast their votes through remote e-voting to participate using the e-voting platform provided by Link Intime India Private Limited.

The consolidated report of both remote e-voting and e-voting conducted during this meeting will be submitted by the scrutinizer and announced within the stipulated time frame, in accordance with applicable laws. This report will be made available on the Company's website, as well as those of Link Intime India Private Limited and the Stock Exchange.

The electronic voting option will remain open for the next 15 minutes. Members who have not yet voted may do so by clicking the "Cast your vote" button located on the right-hand side of your VC

meeting screen. The resolutions as set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes.

I now request Ms. Prachi Bansal, scrutinizer of the 30th AGM to supervise the e-voting process. I once again thank you all for participating in the meeting.

The resolutions as set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes. I now declare the proceedings of the Annual General Meeting as completed. I convey our sincere thanks to all the Members for attending and participating in this meeting and now with this, the 30th Annual General Meeting of the Company is concluded.

As we come together during this significant time, let us remember the true essence of independence—cherishing the freedom we have and striving to uphold it with integrity and responsibility. On behalf of the entire board, I extend my heartfelt wishes to all shareholders for a prosperous and meaningful Independence Day. May we continue to work together towards a brighter future, shining India and with a commitment to make our India a developed nation by 2047.

Stay healthy and stay safe. Take care, be well. Thank you very much and see you next year.