

METAL COATINGS (INDIA) LIMITED

PROCEEDINGS OF THE 26th ANNUAL GENERAL MEETING

Day	:	Tuesday
Date/Time	:	29 th September, 2020 / 11.30 a.m.
Venue	:	Through video-conferencing facility

Mr. Ramesh Chander Khandelwal: Good Morning ladies and gentlemen. First, let me introduce myself. My name is Ramesh Chander Khandelwal. I am Chairman & Whole Time Director of your Company and I will be chairing this meeting today.

On behalf of the Board of Directors of Metal Coatings (India) Limited, I extend a warm welcome to each one of you present at this 26th AGM of your Company. It gives me great pleasure to welcome you all. I hope each one of you is safe, healthy and following social distancing norms and taking all other precautions as per the guidelines issued by the Government authorities.

Before I proceed further, I would like to introduce to you my fellow Board Members & senior officials of the Company and other invitees present here through video conference. I would request the concerned person to acknowledge when I introduce.

1. Mr. Pramod Khandelwal, Managing Director of your Company, attending this meeting from Delhi.
2. Mr. Satish Kumar Gupta, Non Executive and Independent Director and Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' relationship committee, attending this meeting from Faridabad.
3. Mr. Santosh Khandelwal, Non Executive and Independent Director and member of the Audit Committee and Nomination and Remuneration Committee attending this meeting from Faridabad.
4. Ms. Neha Gupta, Non Executive and Independent Director and member of the Audit Committee and Nomination and Remuneration Committee attending this meeting from Bangalore.

We have also with us, Mr. R. A. Sharma, Chief Financial Officer, Mr. Kapil Sharma, Company Secretary & Compliance Officer, Mr. Mukesh Dadhich, Partner of M/s Vinod Kumar & Associates, Statutory Auditor, Mr. Ramawatar Sunar, Cost Auditor, Ms. Yatika Tibrewal, Partner of M/s CPA & Co., Secretarial Auditor of the Company and Mr. Abhinav Agarwal of M/s A Abhinav & Associates, Practicing Company Secretary, scrutinizer of the Remote E-voting and E-voting during the AGM.

Dear Shareholders, I would like to mention that in view of the massive outbreak of the Covid-19 pandemic, social distancing norm is to be followed, and therefore, we are today holding this AGM through video conferencing or other audio/visual means and this is in compliance with the companies act 2013, read with Circular No.14/2020 dated April 08,

2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs, Government of India.

Technology has provided extraordinary solutions to us and hence in these unprecedented times of COVID-19 pandemic, we are able to meet you through this new format of meetings. The Company has made all efforts feasible under the current circumstances to enable the members to participate at the meeting through the video conferencing facility and vote electronically.

Please note that this meeting is being held through Video Conferencing / audio-visual means and hence the members so attending this meeting shall be counted for the purpose of reckoning the quorum under Sec. 103 of the Companies Act 2013. I state that , requisite quorum is present as per section 103 of the Companies Act, 2013, and therefore I declare that the meeting is in order and duly constituted and we can now commence the proceedings of the meeting.

Since this is the first time, we are holding the meeting in new format through Video Conference, I, therefore, request Mr. Kapil Sharma, Company Secretary and compliance officer of the Company, to explain the flow of the meeting to the members and also give the overview regarding participation in this meeting.

Mr. Kapil Sharma : Thank you Chairman sir.

Good Morning Shareholders. Now I will explain the flow of the meeting to you and also brief you how to participate and vote in this meeting.

- Mr. Ramesh Chander Khandelwal, Chairman of the Meeting will formally address to you and will brief about your Company's performance for the year ended March 31, 2020 and also about the current scenario of the steel industry.
- Thereafter the facility to vote shall be provided to the members to exercise their right to vote on resolutions set forth in the Notice calling this Annual General Meeting through electronic voting services facilitated by the Company's RTA - Link Intime India Private Limited.
- After that Mr. Pramod Khandelwal, Managing Director of your Company, will answer your queries which were sent by you in advance and also the question asked by the members present and who have registered themselves to speak in the meeting. We would also welcome your suggestions, inputs and comments. If you have further queries on business, even if we are not able to respond today, we will be happy to address them in due course.

Further I would like to inform you that:

For the smooth conduct of the meeting, all the members will be in mute mode. Audio and video facility will be enabled for those members who have registered themselves as speaker shareholders, once the company secretary announces to commence question and answer session. Please remember your speaking serial number which will be appearing in the

“voting registration message” once you mark your attendance for the meeting. You are requested to speak only when you will be invited to speak as per the serial number. Members who would like to ask questions to the panelist, may ask your queries via active chat-board during the meeting.

Members who have not exercised their vote 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.

Please note that as per the requirements of the law, the proceedings of the annual general meeting will be recorded and transcript of the same will be available on the website of the company.

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 2019-20 have been sent 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.

The register of members, register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested and other documents required to be kept open at the meeting and all the other documents referred to in the Notice have been made available for inspection in electronic mode to members who have sent a request for inspection. Statutory Registers as mentioned above are also available at Investors Section of the website of Company viz. www.mcil.net.

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 to exercise their right to 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 was commenced on 25th September 2020 at 9.00 am and closed on 28th September 2020 at 5.00 pm.

The Board has appointed M/s A Abhinav & Associates, Practicing Company Secretaries (ACS No. 46266, CP No. 17590) as the Scrutinizer for conducting the E-voting process and voting at the AGM in a fair and transparent manner.

Now I request the Chairman, Mr. Ramesh Chander Khandelwal to address the members.

Over to you , sir.

Mr. Ramesh Chander Khandelwal: Dear shareholders Coming to the performance of your company for the year 2019-20, The revenue from operations of the Company for the year ended 31st March, 2020 decreased to Rs.12,017 lacs as compared to Rs. 15,406 lacs in the previous year. Your Company registered a marginal decrease in profit to Rs. 285 Lacs as compared to Rs. 307 lacs in the previous year. This downtrend, amongst other things, was attributable to lower revenue generation due to worldwide outburst of covid-19 which not only resulted in direct loss in sales revenue in the second half of March 2020 on account of lockdown but also kept the profitability under pressure towards the end of the year and as a result led to a slight decline in the profits of the Company.

OPPORTUNITIES AND OUTLOOK

India continues to be among the fastest growing steel markets in the world and surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tones. In India, as per Indian Steel Association (ISA), steel demand is estimated to grow 7.2 per cent in FY20 and FY21. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The National Steel Policy, 2017 envisage 300 million tonnes of production capacity and 160 kgs per capita steel consumption by 2030-31. Government of India has also taken several initiatives to give boost to the domestic steel Industry including introduction of Steel Scrap Recycling Policy, focusing on infrastructure and restarting road projects, facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry with an initial corpus of Rs 200 crore etc. and these coupled with the other factors as availability of low cost man power and presence of abundant iron ore reserves make India competitive in the global setup.

RISKS, THREATS AND CONCERNS

For most of the financial year 2019-20, the global steel industry faced a number of challenges due to global demand and geopolitical tensions which have affected the shape of the business environment in which we operate. This was further worsened due to the onset of the COVID-19 pandemic in the final quarter of the year, which ushered in a new reality for industries across the world. Global GDP growth eased to 2.9% in 2019, against an initial growth projection of 3.5%. In India, growth slowed to 4.2% in financial year 2019-20 against an initial growth projection of 7.5% in the beginning of the year. The impact of the slowing economy was also felt in the global steel sector. Global crude steel production reached 1,870 Million Tons in 2019, registering a more modest growth of 3.4% in 2019 against 4.6% in 2018. The Indian steel sector registered a stark easing of growth to 1.8% in 2019 compared to 7.7% growth in the previous year. Domestic steel prices declined sharply in financial year 2019-20 around 15% year-on- year basis due to weak demand from key industries including

automobile, construction, and consumer durables coupled with overcapacity in China. As we look ahead, it is important to gauge COVID-19's unprecedented impact on the global economy. It is expected that global growth will contract by over 3% in 2020, the worst contraction since the 1930s. Furthermore, the increasingly competitive environment is putting pressure on steel companies to search for better ways to outperform their competitors in the market. Your Company is vigilant and continues to take proactive steps to overcome the challenges including the one posed by covid-19 pandemic. Measures taken during the previous years were continued by your Company to outweigh the risk such as reduction in its reliance on the auto sector and diversifying into other user industries.

On behalf of your Board, I wish to express grateful appreciation for the valuable support and co-operation received from suppliers, investors, banks, all regulatory and government authorities and all other business associates. The Board places on record its sincere appreciation towards the Company's valued customers for the support and confidence reposed by them in the organization and looks forward to the continuance of this supportive relationship in the future. Your Board proudly acknowledges the contribution and hard work of the employees of the Company at all levels, who, through their competence, hard work, solidarity and commitment have enabled the Company to achieve consistent growth.

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, 2020 has been sent to you in advance. 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 2020 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 proposing and seconding of resolutions.

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. There are five agenda items. Let me brief all these.

- 1- Adoption of Audited Financial Statement and reports of the Boards of Directors and Auditors thereon for the Financial Year ended 31st March, 2020
- 2- Appointment of Director in place of Mr. Ramesh Chander Khandelwal, liable to retire

by rotation.

- 3- Approval of material related party transactions.
- 4- Approval of the limits for the loans and investments by the Company.
- 5- Ratification of the remuneration of Cost Auditors for the Financial Year 2020-21.

Those were the business items on our agenda. 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 from members.

Mr. Pramod Khandelwal : Good Morning Everyone, I now invite the members who have pre-registered as speaker shareholder to ask their questions. Members are requested to state their names, folio number, or DP ID and client ID and location from where they are participating for record purpose. Members are requested to keep their questions brief and avoid repeating questions. In the interest of time, may I request members to kindly restrict their questions or comments to three minutes please? In case the shareholders who have not pre-registered as speakers, but wish to raise any queries during the meeting, they are requested to kindly pose their queries via active chat-board during the meeting.

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

(Mr. Ajay Kumar Jain and Mr. Lokesh Gupta 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 thanks to all registered speakers & Chat box users to ask such excellent set of questions. I will now attempt to answer the questions in a consolidated manner.

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/queries are answered, I request all the members who had not cast their vote on Remote e-voting, to participate in the voting through e-voting platform of Link Intime India Private Limited.

The consolidated results along with the Scrutinizer's Report on voting will be submitted to Stock Exchange and shall also be uploaded on the Company's website & e-voting platform of Link Intime India Private Limited within stipulated time. On behalf of the board, Mr. Kapil Sharma, Company Secretary is authorized to receive the scrutinizer's report and announce the consolidated voting results forthwith on receipt of the Scrutiniser's Consolidated Report.

The electronic voting option will remain open for next 15 min. Members who have not exercised their vote may click the voting button "Cast your vote" which is appearing on the right hand side of your VC meeting screen and vote.

I request Mr. Abhinav Agarwal to supervise the e-voting process. I once again thank you all for participating in the meeting and I hereby declare the proceedings as closed.

KAPIL SHARMA: I, propose a vote of thanks to the Chair. Wishing you all Happy Durga Puja, Dusshera and Diwali.

Thank you ladies and gentlemen.