



METAL COATINGS (INDIA) LIMITED

— 25th —
ANNUAL
REPORT
—

**CORPORATE INFORMATION****Board of Directors**

Mr. Ramesh Chander Khandelwal
Chairman & Whole-time Director

Mr. Pramod Khandelwal
Managing Director

Mr. Satish Kumar Gupta
Independent Director

Ms. Neha Gupta
Independent Director

Mr. Virender Kumar Hajela
Independent Director
(Resigned w.e.f. 13th August, 2018)

Mr. Santosh Khandelwal
Additional Director
(Appointment w.e.f. 14th November, 2018)

Chief Financial Officer

Mr. Ram Awtar Sharma

Company Secretary & Compliance Officer

Mr. Piyush Jain

Statutory Auditors

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

Cost Auditor

Mr. Ramawatar Sunar
Cost Accountant
A-1/93, Sector 7, Rohini
New Delhi – 110085

Registrar and Share Transfer Agent

M/s. Link Intime India Private Limited
Noble Heights, 1st Floor, NH-2
C-1 Block LSC, Near Savitri Market
Janakpuri
New Delhi - 110058
Phone No.: 011-41410592, 93, 94
Telefax: 011-41410591
E-mail: delhi@linkintime.co.in

Registered Office

912, Hemkunt Chambers,
89, Nehru Place,
New Delhi -110 019
Phone No.: 011-41808125
Email Id: info@mcilindia.net
Website: www.mcil.net
CIN: L74899DL1994PLC063387

Works

- (i) Sector – 45, Meola Maharajpur,
Faridabad – 121 003, Haryana
- (ii) Plot No. -113, HSIIDC Industrial Estate,
Sector – 59, Faridabad – 121 004, Haryana

Bankers

The Hongkong and Shanghai Banking Corporation Ltd.

Website

www.mcil.net

Email ID for Investors

cs@mcilindia.net

25th ANNUAL GENERAL MEETING

Day : Tuesday
Date : 24th September, 2019
Time : 10:30 a.m. (IST)
Venue : Hotel – The Legend INN
E-4, East of Kailash,
New Delhi - 110065

CONTENTS

Particulars	Page Nos.
Directors' Report	2-20
Management Discussion & Analysis	21-22
Independent Auditor's Report	23-29
Balance Sheet	30
Statement of Profit & Loss	31
Statement of Changes in Equity	32
Cash Flow Statement	33
Significant Accounting Policies	34-38
Notes to Financial Statement	39-48

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors of your Company are pleased to present its **25th (Twenty Fifth) Annual Report** together with the Audited Financial Statements of your Company, for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The summarized Financial Performance of your Company for the financial year ended 31st March, 2019 is summarized as follows:

(Rs. in lacs)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Total Turnover (Gross)	15,406.47	11,354.63
Operating Profit	521.67	428.42
Depreciation	63.58	69.68
Finance Cost	50.18	46.01
Provision for Tax and Adjustment	100.58	113.44
Profit for the year	307.33	199.29

PERFORMANCE REVIEW AND STATE OF AFFAIRS OF THE COMPANY

The revenue from operations of the company for the year ended 31st March, 2019 increased to Rs.15406 lacs as compared to Rs. 11355 lacs in the previous year. The Profit Before Tax stood at Rs. 408 lacs as against Rs. 313 lacs in the previous year. Revenue from Operation grew by more than 35% during the year. Your Company has registered commendable increase of more than 30% in Profit before Tax.

DIVIDEND

The Board of Directors of your company at its meeting held on 24th May, 2019 has recommended a dividend of Re. 0.50 (Fifty Paise Only) per Equity share of face value Rs. 10/- (Rupees Ten) each (@ 5%) for the year ended 31st March, 2019. The Dividend payment is subject to the approval of the Members at the ensuing 25th Annual General Meeting (hereinafter referred to as "AGM") of the Company scheduled to be held on 24th September, 2019 and will be paid within a period of 30 (Thirty) days from the date of declaration of Dividend, to those Members whose name appears in the Register of Members of the Company as on close of the business hours on 17th September, 2019. The Dividend Payout will be Rs. 44.16 lacs including Dividend Distribution Tax of Rs. 7.53 lacs.

TRANSFER OF UNCLAIMED / UNPAID DIVIDEND AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013 read with Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government of India, after the completion of seven years from the date of transfer to Unpaid Dividend Account of the Company. Further, according to Section 124(6) of the Companies Act, 2013 and the rules made there in, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF.

It may be noted that the unclaimed dividend for the financial year 2011-12 declared on September 28, 2012 along with the shares are due to be transferred to the IEPF by November 2019. The same can, however, be claimed by the Members by October 31, 2019. The details of such unclaimed dividend to be transferred are available on the Company's Website, www.mcil.net.

Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before these are due to be transferred to the IEPF. The Company had already sent the notices to all such members in this regard and had also published the same by way of newspaper advertisement.

The shares and unclaimed dividend once transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time.

The following table gives information relating to outstanding dividend amounts and the dates when due for transfer to IEPF:



Financial Year Ended	Date of Declaration of Dividend	Due to be Transferred to IEPF Fund in
31 st March, 2012	28.09.2012	November, 2019
31 st March, 2014	23.09.2014	November, 2021
31 st March, 2015	24.08.2015	October, 2022
31 st March, 2016	21.09.2016	November, 2023
31 st March, 2017	22.09.2017	November, 2024
31 st March, 2018	19.09.2018	November, 2025

TRANSFER TO RESERVES

No amount has been proposed to be carried to any Reserves. Entire amount of Rs. 272 lacs is proposed to be retained in the Surplus.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 is Rs. 732.68 lacs comprising of 73,26,800 Equity Shares of Rs. 10 each. There is no change in the issued & subscribed capital of the Company of the year. Further, during FY 2018-19 your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors or Key Managerial Personnel of the Company holds instruments convertible into equity shares of the Company.

MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate 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.

DIRECTORS & KEY MANAGERIAL PERSONNEL***Appointment and/or Re-Appointment***

Your Company's Board is duly constituted which is in compliance with the requirements of the Act, the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 [hereinafter referred to as "SEBI Listing Regulations"] and provisions of the Articles of Association of the Company.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Pramod Khandelwal (DIN: 00124082), Managing Director of the Company being liable to retire by rotation, shall retire at the ensuing AGM and being eligible, offers himself for re-appointment.

The Board of Directors of your Company at its meeting held on 14th November, 2018, based on the recommendation of Nomination and Remuneration Committee, has appointed Mr. Santosh Khandelwal as Additional Independent Director of the Company w.e.f 14th November, 2018 and the said appointment shall be subject to the approval of the members in the ensuing Annual General Meeting.

Ms. Preeti Khatore resigned from the post of Company Secretary & Compliance Officer and was relieved from the services of the Company from the close of business hours of 11th April, 2019. The Board placed on record the valuable guidance and support received from her during her tenure. The Board of Directors of the Company at its meeting held on 12th April, 2019, based on the recommendation of Nomination and Remuneration Committee, has appointed Mr. Piyush Jain as the Company Secretary & Compliance Officer of the Company.

The members of the Company at its meeting held on 19th September, 2018 has approved the reappointment of Mr. Ramesh Chander Khandelwal (DIN: 00124085) as Whole-time Director of the Company and Mr. Pramod Khandelwal (DIN: 00124082) as Managing Director of the Company in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule - V of the Act (including any statutory modification or re-enactment thereof) for a period of 3 (three) years with effect from 1st October, 2018 to 30th September, 2021 and approved the terms and conditions of their re-appointment and payment of remuneration.

The members of the Company at its meeting held on 19th September, 2018 has approved the re-appointment of Mr. Satish Kumar Gupta (DIN:03558083) and Ms. Neha Gupta (DIN:06948920) as Independent Directors of the Company in accordance with the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule - IV of the Act (including any statutory modification or re-enactment thereof) for a second term of 5 (five) consecutive years. The appointment of Mr. Satish Kumar Gupta is effective from 1st April, 2019 to



31st March, 2024 and of Ms. Neha Gupta from 13th August, 2019 to 12th August, 2024.

The brief resume and other details as required under the Regulation 36(3) of the SEBI (LODR) Regulations, 2015 of the Directors seeking appointment / re-appointment at the ensuing AGM are provided in the Notice of the AGM of the Company which forms a part of the Annual Report.

Cessation

As already reported in last year, Mr. Virendra Kumar Hajela, Independent Director of the Company had resigned from the directorship of the Company w.e.f. 13th August, 2018. The Board placed on record the valuable guidance and support received from him during his tenure.

Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel (hereinafter referred to as 'KMP') of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Act, read with the Rules framed there under.

1. Mr. Ramesh Chander Khandelwal, Chairman & Whole-time Director;
2. Mr. Pramod Khandelwal, Managing Director;
3. Mr. Ram Awatar Sharma, Chief Financial Officer; and
4. Mr. Piyush Jain, Company Secretary & Compliance Officer

Statement of Declaration given by Independent Directors

The Company has received necessary declaration of independence from all the Independent Directors of the Company, under Section 149(7) of the Act, that he/she meets the criteria of Independent Directors envisaged in Section 149(6) of the Act and rules made thereunder and SEBI (LODR) Regulations, 2015 and are not disqualified from continuing as Independent Directors.

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 Act and SEBI (LODR) Regulations, 2015. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

As required under the provisions of the Act, a separate meeting of Independent Directors was held during the year. In the meeting, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the board meeting, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The evaluation of all the Directors and the Board as a whole was found to be satisfactory. The flow of information between the Company management and the Board is timely, qualitative and adequate.

DETAILS OF MEETINGS OF BOARD OF DIRECTORS HELD DURING THE YEAR

The notices of Board / Committee meetings are given well in advance to all the Directors. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

4 (Four) Meetings of the Board were held during the financial year 2018-19, viz. 30th May, 2018; 13th August, 2018; 14th November, 2018; 13th February, 2019 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present at all the meetings.

The attendance of each Director at the meetings of Board of Directors held during the financial year 2018 - 19 are as follows:



Sl. No.	Name of Directors	Designation	No. of Meetings attended
1.	Mr. Ramesh Chander Khandelwal	Chairman & Whole-Time Director	4
2.	Mr. Pramod Khandelwal	Managing Director	4
3.	Mr. Satish Kumar Gupta	Independent Director	4
4.	Ms. Neha Gupta	Independent Director	3
5.	Mr. Virendra Kumar Hajela #	Independent Director	-
6.	Mr. Santosh Khandelwal*	Additional Independent Director	1

Resigned w.e.f. 13th August, 2018

* Appointed w.e.f 14th November, 2018

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(3)(c) & 134(5) of the Act, your Board of Directors' to the best of their knowledge and ability hereby confirm that:

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

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public and as such no amount of principal or interest remained unpaid or unclaimed at the end of the financial year 31st March, 2019.

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 Act in the securities of any other Bodies Corporate during the financial year ended 31st March, 2019.

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

As required under the SEBI (LODR) Regulations, 2015 and the Act, prior omnibus approval was obtained for Related Party Transactions which are of repetitive nature and/or entered in the ordinary course of business and are at Arm's Length basis, in the first meeting of Audit Committee.

All 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 review. The details of the related party transactions are set out in Note 34 to the Financial Statements of the Company.

The particulars of contracts entered with related parties are shown in the prescribed form AOC-2 which is enclosed at 'Annexure – I' The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website i.e. www.mcil.net.

**STATUTORY AUDITORS AND AUDITOR'S REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, the Company in its 22nd Annual General Meeting has appointed M/s. Vinod Kumar & Associates, Chartered Accountants, (Firm registration No. 002304N) as the Statutory Auditor for a second term of 5 (five) consecutive years which is valid till 27th Annual General Meeting of the Company. They have confirmed their eligibility for the Financial Year 2019-20 under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

The report of the Statutory Auditors on Financial Statements for the year under review forms part of the Annual Report and there are no auditor's qualifications in the audit report for the financial year ended 31st March, 2019.

There have been no instances of fraud reported by the Statutory Auditor under Section 143(12) of the Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company has re-appointed M/s. CPA & Co., a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2018-19 forms integral part of this Report as 'Annexure – II'. There are no qualifications, observations or adverse remark or disclaimer in the said report.

COST AUDITORS & COST RECORDS

The Board of Directors of your Company, on the basis of provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as per the recommendations provided by the Audit Committee, has re-appointed Mr. Ramawatar Sunar, Cost Accountant (Firm registration No. 100691) as Cost Auditor of your Company for conducting the Audit of Cost records of the Company for the financial year 2019-20. Company has received written consent from Mr. Ramawatar Sunar, Cost Accountant to the effect that his appointment, if made, will be in accordance with the applicable provisions of the Act and rules framed there under.

As per Section 148(3) of the Act, the remuneration payable to the Cost Auditors requires ratification by Shareholders. An appropriate Resolution, to this effect, is being proposed at the ensuing AGM.

As per Section 148(1) of the Act, the cost records as specified by the Central Government are being made and maintained by your Company. Your Company has filed the Cost Audit Report for the financial year 2017-18 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

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

BOARD COMMITTEES

As on 31st March, 2019, the Board has 3(Three) committees as per the provisions of the Act read with rules made thereunder, with proper composition of its members. The Board periodically evaluates the performance of all the Committees as a whole. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

(a) Audit Committee

The Board of Directors of your company has duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee comprises of Mr. Satish Kumar Gupta (Non-Executive Independent Director), the Chairman of the Committee, Ms. Neha Gupta (Non-Executive Independent Director) and Mr. Santosh Khandelwal (Non-Executive Independent Director) as Members of the Committee as on 31st March, 2019.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of SEBI (LODR), Regulations, 2015 and Section 177 of the Act and such other functions as may be specifically delegated to the Committee by the Board from time to time. The Board has accepted all recommendations made by the Audit Committee during the financial year 2018-19.

4 (Four) Audit Committee Meetings were held during the financial year 2018-19. The said meetings were held on 30th May, 2018; 13th August, 2018; 14th November, 2018 and 13th February, 2019.



The attendance of each Member at the Audit Committee Meetings held during the financial year 2018-19 is as follows:

Sl. No.	Name	Designation	No. of Meetings attended
1.	Mr. Satish Kumar Gupta	Chairman	4
2.	Ms. Neha Gupta	Member	3
3.	Mr. Virendra Kumar Hajela #	Member	-
4.	Mr. Santosh Khandelwal*	Member	1

Resigned w.e.f. 13th August, 2018

* Appointed w.e.f. 14th November, 2018

(b) Nomination and Remuneration Committee

The Committee comprises of Mr. Satish Kumar Gupta (Non-Executive Independent Director), Chairman of the Committee, Ms. Neha Gupta (Non-Executive Independent Director) and Mr. Santosh Khandelwal (Non-Executive Independent Director) as members of the Committee as on 31st March, 2019.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Act, besides other terms as may be referred by the Board of Directors. The Board has accepted all recommendations made by the Nomination and Remuneration Committee during the year.

2 (Two) meetings of Nomination and Remuneration Committee was held during the year 2018-19. The dates on which the meetings were held are 13th August, 2018 and 14th November, 2018. The attendance of each Member at the Nomination and Remuneration Committee Meetings held during the financial year 2018-19 are as follows:

Sl. No.	Name	Designation	No. of Meetings attended
1.	Mr. Satish Kumar Gupta	Chairman	2
2.	Ms. Neha Gupta	Member	2
3.	Mr. Virendra Kumar Hajela #	Member	-
4.	Mr. Santosh Khandelwal*	Member	-

Resigned w.e.f. 13th August, 2018

* Appointed w.e.f. 14th November, 2018

(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 report, non-receipt of declared dividends and such other functions as may be specifically delegated to the Committee by the Board from time to time. There being no investor grievances complaint pending, the committee reviewed the existing procedures for attending to complaints as and when they arise.

4 (Four) Stakeholders' Relationship Committee Meetings were held during the financial year 2018-19. The dates on which the meetings were held are 30th May, 2018; 13th August, 2018; 14th November, 2018 and 13th February, 2019.

The attendance of each Member at the Stakeholders' Relationship Committee Meetings held during the financial year 2018-19 is as follows:

Sl. No.	Name	Designation	No. of Meetings attended
1.	Mr. Satish Kumar Gupta	Chairman	4
2.	Mr. Pramod Khandelwal	Member	4
3.	Mr. Ramesh Chander Khandelwal	Member	4

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 – III' and forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

**EXTRACT OF ANNUAL RETURN**

As provided under Section 92 of the Companies Act, 2013 and rules framed thereunder, the extract of annual return in Form MGT-9 is given in 'Annexure – IV' which forms part of this report. In compliance with Section 134(3)(a) of the Act, MGT-9 can be accessed on the website of the Company viz., www.mcil.net.

BOARD POLICIES**(a) Policy of Appointment & Re-appointment**

The Company has in place a Nomination and Remuneration policy duly adopted and approved by the Board. The Nomination and Remuneration Policy of the Company includes the terms and conditions for appointment and payment of remuneration to the Directors and KMP and other senior management personnel including criteria for determining qualifications, positive attributes, independence of a director as per Section 178 and Schedule IV of the Act. There have been no changes in the said policy during the year. The said policy may be accessed on the website of the Company viz., www.mcil.net.

(b) Vigil Mechanism/Whistle Blower Policy

The Company has formulated a Whistle Blower Policy relating to Vigil Mechanism in terms of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, for Employees and Directors to keep high standards of ethical behaviour and provide safeguards to whistle blower. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of your Company viz., www.mcil.net.

(c) 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 may be accessed on the website of the Company viz., www.mcil.net.

MANAGERIAL REMUNERATION

The information required pursuant to Section 197(12) of the Act 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: .

Sl. No.	Name	Designation	% Increase/Decrease of remuneration in 2018-19 as compared to 2017-18 #	Ratio of Remuneration to MRE#
1	Mr. Pramod Khandelwal	Managing Director	23.95	86.96
2	Mr. Ramesh Chander Khandelwal	Chairman and Whole-time director	23.95	86.96
3	Mr. Ram Avtar Sharma	Chief Financial Officer	7.62	7.57
4	Ms. Preeti Khatore*	Company Secretary	13.33	2.64

MRE : Median Remuneration of Employees.

: Based on annualised Salary

***** Resigned w.e.f 12th April, 2019

1. The percentage increase in Median remuneration of employees for the year 2018-19 is 16.48%
2. The number of permanent employee on the rolls of the Company as of 31st March, 2019 is 82.
3. The average percentage increase in salary of the Company's employees excluding the KMP was 0.87% and including KMP was 10.22%. This was based on the recommendation of Nomination and Remuneration Committee to revise the remuneration as per the Remuneration Policy of the Company.
4. In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of top ten employees of the Company in terms of remuneration drawn set out in the said rules are provided in 'Annexure – V' to the Board's Report.
5. It is affirmed that the remuneration is as per the remuneration policy of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**INTERNAL FINANCIAL CONTROLS**

The Company has aligned its current systems of internal financial control with the requirement of Companies Act, 2013. The Internal Control is intended to increase transparency and accountability in the Company's process of designing and implementing a system of internal control. Assurance on the effectiveness of internal financial control is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors and statutory auditors during the course of their audits. The Company believes that these systems provide reasonable assurance that Company's internal financial controls are designed effectively and are operating as intended.

CREDIT RATING

Acuité has reaffirmed long-term rating of 'ACUITE BBB' (read as ACUITE BBB) and short term rating of 'ACUITE A3+' (read as ACUITE A three plus) on the bank facilities of the Company. The outlook is 'Stable'.

CORPORATE GOVERNANCE

The compliance with the Corporate Governance provisions does not apply as the Company falls under criteria specified under Regulation 15(2) of SEBI (LODR) Regulations, 2015 during the year 2018-19.

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on Bombay Stock Exchange Limited. The Annual Listing fees for the financial year 2019-20 has been duly paid to the said Stock Exchange.

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 SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

INDUSTRIAL RELATIONS

During the year under review, industrial relations remained harmonious at all our offices and establishments.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

PREVENTION, PROHIBITION & REDRESSAL OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has a zero tolerance for any abuse against Women at Workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURE UNDER SECRETARIAL STANDARDS

Applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their 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 Directors proudly acknowledge 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.

For and behalf of the Board of Directors

Place : New Delhi
Date : 12th August, 2019

Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085

**Form No. AOC-2**

(Pursuant to clause (h) of Section 134(3) if the Companies Act, 2013 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 thereto

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 of 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

3. Details of material contracts or arrangements or transactions at arm's length basis:

Name of the related party	Nature of Relationship	Nature of Transaction	Duration of Contract	Date of Approval	Amount (Rs. in lacs)	Salient Terms
M/s Khandelwal Busar Industries Private Limited	Enterprise in which Mr. Ramesh Chander Khandelwal and Mr. Pramod Khandelwal, Directors of the Company have substantial interest.	Sales	01.04.2014 – 31.03.2019	11.02.2014	2324.14	At prevailing Market Rate
		Purchases	01.04.2014 – 31.03.2019	11.02.2014	928.58	
		Job Work Income	01.04.2014 – 31.03.2019	11.02.2014	27.30	
		Rent	27.03.2017 – 26.03.2020	10.03.2017	24.00	

No advance were paid for the above related party transaction.

For and behalf of the Board of Directors

Place : New Delhi
Date : 12th August, 2019

Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085

**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 2019**

[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 our opinion thereon.

Based on our verification of the Company's 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 2019, 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 the Company for the financial year ended on 31st March, 2019, 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the company has not issued any further share capital during the period under review]**
 - (e) 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]**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable to the company during the audit period]**
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable to the company during the audit period]**
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **[Not applicable to the company during the audit period]**
 - (j) Other laws as applicable to the Company. **No specific laws are applicable to the company other than the General Laws as per the information and explanation provided to us by the management.**



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 the Ministry of Corporate Affairs.

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 observation:

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 and there were no dissenting members' views.

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.

For CPA & Co.

Sd/-

YugeshVerma

Partner

CPA & Co.

Company Secretary in Practice

ACS.41767

C.P.No.:15591

Date : 23.05.2019

Place: Gurugram



Annexure - III

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

A. CONSERVATION OF ENERGY

The Company is in the process of progressively replacing of all of its conventional light system with LED system for reduction of energy consumption.

B. TECHNOLOGY ABSORPTION

In its quest to continuously meet the changing customer needs, the Company is in the process of developing new grades of steel to explore new market.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There are no foreign exchange earnings and outgo.

For and behalf of the Board of Directors

**Place : New Delhi
Date : 12th August, 2019**

**Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085**

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

as on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1994PLC063387
2.	Registration Date	12 th December, 1994
3.	Name of the Company	METAL COATINGS (INDIA) LIMITED
4.	Category/Sub-category of the Company	Public Limited, Limited by shares
5.	Address of the Registered office & contact details	912, Hemkunt Chambers 89, Nehru Place, New Delhi – 110019 cs@mcilindia.net; 011-41808125; www.mcil.net
6.	Whether listed company	Yes, BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Noble Heights, 1 st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi – 110058 delhi@linkintime.co.in; 011-49411000; www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacture/Job Work of cold-rolled & HRPO products of steel	24105	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
NIL			

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters and Promoters Group									
(1) Indian									
a. Individuals/ Hindu Undivided Family	2960998	0	2960998	40.41	2960998	0	2960998	40.41	0
b. Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	1745499	0	1745499	23.82	1745499	0	1745499	23.82	0
d. Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e. Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total(A) (1)	4706497	0	4706497	64.23	4706497	0	4706497	64.23	0
(2) Foreign									
a. Individuals (Non Resident Individuals / Foreign Individuals)	70000	0	70000	0.96	70000	0	70000	0.96	0
b. Bodies Corporate	0	0	0	0	0	0	0	0	0
c. Institutions	0	0	0	0	0	0	0	0	0



d. Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e. Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	70000	0	70000	0.96	70000	0	70000	0.96	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4776497	0	4776497	65.19	4776497	0	4776497	65.19	0
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
b. Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c. Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
d. Venture Capital Funds	0	0	0	0	0	0	0	0	0
e. Insurance Companies	0	0	0	0	0	0	0	0	0
f. Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h. Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a. Bodies Corp.	395937	1144900	1540837	21.03	395598	1144900	1540498	21.03	-0.01
b. Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	217276	188357	405633	5.54	214517	158057	372574	5.09	-0.45
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	233252	126400	359652	4.91	250760	143500	394260	5.38	0.47
c. Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
d. Others (specify)									
Hindu Undivided Family	40701	0	40701	0.56	38704	0	38704	0.53	-0.03
Non Resident Indians (Non Repat)	6700	0	6700	0.09	7200	0	7200	0.10	0.01
Non Resident Indians (Repat)	19085	177100	196185	2.68	19085	177100	196185	2.68	0
Clearing Member	595	0	595	0.01	882	0	882	0.01	0.01
Sub-total (B)(2)	913546	1636757	2550303	34.81	926746	1623557	2550303	34.81	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	913546	1636757	2550303	34.81	926746	1623557	2550303	34.81	0
C. Shares held by Custodian and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	5690043	1636757	7326800	100	5703243	1623557	7326800	100	0


ii) Shareholding of Promoters (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 1 st April, 2018			Shareholding at the end of the year - 31 st March, 2019			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Khandelwal Galva Strips (P) Ltd.	1745499	23.82	0	1745499	23.82	0	0
2.	Pramod Khandelwal	1213390	16.56	0	1213390	16.56	0	0
3.	Ramesh Chander Khandelwal	1043858	14.25	0	1043858	14.25	0	0
4.	Anupama Khandelwal	159450	2.18	0	159450	2.18	0	0
5.	Priya Khandelwal	156500	2.13	0	156500	2.13	0	0
6.	Anjana Khandelwal	155500	2.12	0	155500	2.12	0	0
7.	Neeta Khandelwal	110900	1.51	0	110900	1.51	0	0
8.	Krishna Khandelwal	106200	1.45	0	106200	1.45	0	0
9.	Jyoti Rawat	70000	0.96	0	70000	0.96	0	0
10.	Ayodhya Prasad Khandelwal	15200	0.21	0	15200	0.21	0	0
Total		4776497	65.19	0	4776497	65.19	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in promoter's Shareholding during the Financial Year 2018-19.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year – 1 st April, 2018		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding at the end of the year – 31 st March, 2019	
		No. of Shares Held	% of Total Shares of the Company				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 Pvt. Ltd.	441100	6.02				441100	6.02
	At the end of the year						441100	6.02
3	A K Softech Private Limited	202000	2.76				202000	2.76
	At the end of the year						202000	2.76
4	Geometal Resources Pvt. Ltd.	167300	2.28				167300	2.28
	At the end of the year						167300	2.28
5	Skytone Leasing & Finance Ltd.	147400	2.01				147400	2.01
	At the end of the year						147400	2.01



6	Subramanian P	84490	1.15				84490	1.15
	At the end of the year						84490	1.15
7.	Rajendra Prasad Gupta	51300	0.70				51300	0.70
	At the end of the year						51300	0.70
8.	Vinay Khandelwal	46700	0.64				46700	0.64
	At the end of the year						46700	0.64
9.	Sparkling India Finshares Ltd.	40000	0.55				40000	0.55
	At the end of the year						40000	0.55
10.	Kalpna Prakash Pandey	34447	0.47	11.05.2018	466	Transfer	34913	0.48
				18.05.2018	618	Transfer	35531	0.48
				25.05.2018	922	Transfer	36453	0.49
				01.06.2018	459	Transfer	36912	0.50
				30.06.2018	1000	Transfer	37912	0.51
				27.07.2018	100	Transfer	38012	0.52
				03.08.2018	800	Transfer	38812	0.53
				10.08.2018	1	Transfer	38813	0.53
				17.08.2018	1011	Transfer	39824	0.54
				02.11.2018	813	Transfer	40637	0.55
				09.11.2018	746	Transfer	41383	0.56
				16.11.2018	2276	Transfer	43659	0.59
				23.11.2018	1520	Transfer	45179	0.61
				30.11.2018	134	Transfer	45313	0.62
				07.12.2018	442	Transfer	45755	0.62
				14.12.2018	225	Transfer	45980	0.63
				21.12.2018	775	Transfer	46755	0.64
	At the end of the year						46755	0.64

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Directors & KMP	Shareholding at the beginning of the year – 1 st April, 2018		Cumulative Shareholding at the end of the year – 31 st March, 2019	
		No. of Shares Held	% of Total Shares of the Company	No. of Shares Held	% of Total Shares of the Company
1	Mr. Pramod Khandelwal				
	Managing Director				
	At the beginning of the year	1213390	16.56	1213390	16.56
	Increase / Decrease in Shareholding	0	0.00	0	0.00
	At the end of the year	1213390	16.56	1213390	16.56
2	Mr. Ramesh Chander Khandelwal				
	Whole time Director				
	At the beginning of the year	1043858	14.25	1043858	14.25
	Increase / Decrease in Shareholding	0	0.00	0	0.00
	At the end of the year	1043858	14.25	1043858	14.25
3	Mr. Ram Awtar Sharma				
	Chief Financial Officer				
	At the beginning of the year	100	0.00	100	0.00
	Increase / Decrease in Shareholding	0	0.00	0	0.00
	At the end of the year	100	0.00	100	0.00



4	Ms. Preeti Khatore*				
	Company Secretary				
	At the beginning of the year	0	0.00	0	0.00
	Increase / Decrease in Shareholding	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

* Resigned w.e.f 12.04.2019

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	962.61	-	-	962.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	962.61	-	-	962.61
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(196.30)	-	-	(196.30)
Net Change	(196.30)	-	-	(196.30)
Indebtedness at the end of the financial year				
i) Principal Amount	766.31	-	-	766.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	766.31	-	-	766.31

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Pramod Khandelwal	Mr. Ramesh Chander Khandelwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	134.61	134.61	269.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	134.61	134.61	269.22
	Ceiling as per the Act (including Perquisites)	134.61	134.61	269.22

**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Mr. Virendra Kumar Hajela*	Mr. Satish Kumar Gupta	Ms. Neha Gupta	Mr. Santosh Khandelwal #	
1.	Independent Directors					
	• Fee for attending Board / Committee meetings	-	30,000	18,000	4,000	52,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	30,000	18,000	4,000	52,000
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total = (1 + 2)	-	30,000	18,000	4,000	52,000

* Resigned w.e.f. 13th August, 2018# Appointed w.e.f. 14th November, 2018**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ram Awtar Sharma (CFO)	Preeti Khatore (Company Secretary)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.72	3.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit		
	Others, specify...		
5	Others, please specify	-	-
	Total	11.72	3.24

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and behalf of the Board of Directors

Place : New Delhi
Date : 12th August, 2019

Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085

**Annexure – V****Statement Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2019****Details of Top 10 employees in terms of Remuneration drawn**

NAME	AGE	QUALIFICATION	DATE OF EMPLOYMENT	DESIGNATION/ NATURE OF DUTIES	REMUNERATION (RS. IN LACS)	EXPERIENCE (YEARS)	NAME OF THE LAST EMPLOYER
Ramesh Chander Khandelwal	68	Mechanical Engineer	12.12.1994	Whole -time Director	134.61	46	Associate Pulp & Paper Mills Ltd.
Pramod Khandelwal	53	Chartered Accountant	15.05.1995	Managing Director	134.61	30	Hindustan Unilever Ltd.
Dileep Kumar Gautam	58	MBA Marketing	01.01.2002	GM - Marketing	21.03	37	Khemka Ispat Limited
Ram Awtar Sharma	46	Chartered Accountant	20.07.1998	Chief Financial Officer	11.72	24	Kumar Piyush & Co., Chartered Accountants
Tejender Pal	47	B. Sc.	01.08.1997	Manager - Production	8.01	24	Khemka Ispat Limited
P N Vishwarkama	54	ITI	02.07.2005	Maintenance Incharge	7.28	33	Vikash Strips Limited
Narender Parkash Garg	47	MBA Marketing	01.02.2000	Manager - Marketing	6.69	20	-
B K Sharma	41	MBA Human Resource	01.04.1997	Manager P&A	6.56	22	-
Rakesh Aggarwal	49	B. Com	04.10.1993	Deputy Manager - Commercial	6.49	26	-
Ashutosh Khare	56	B.Com	02.07.2001	Accounts Manager	5.40	30	J. P. Associates

Notes:

- Remuneration includes retirement benefits.
- Nature of Employment in all cases is contractual.
- None of the employees mentioned above is a relative of any Director or Manager of the Company.
- None of the employee is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and behalf of the Board of Directors**Place : New Delhi
Date : 12th August, 2019****Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085**

**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

India continues to be among the fastest growing steel markets in the world. The steel use per capita stood at about 70 kg in 2018 which is only one-third of the world average. This indicates that there is a huge potential for growth in demand for steel in India. Rapid urbanization, increasing population, infrastructural development will provide inputs to the growth in steel demand. Increase in availability of power in rural India coupled with higher aspiration and affordability of a growing middle class in urban India will surely lead to an increase in demand for white goods and other consumer goods. Further the various government initiatives such as 'Make in India', building smart cities, affordable housing, dedicated freight corridors and high speed rail corridors are expected to create significant demand for steel in the country.

The major structural reforms recently carried out such as implementation of Goods & Service Tax (GST) and Insolvency and Bankruptcy Code are expected to lead to improved discipline in the market place as also industry consolidation which in turn will have long term impact on stability of the economy.

In the midst of the optimistic outlook in the medium to long term, the immediate term is challenging with a coincidental confluence of adverse developments which are all surely not insurmountable. The Company views such disruptions as an opportunity and has taken proactive measures to seize an edge over competition on most of these factors and is successfully steering through these challenges.

RISKS, THREATS AND CONCERNS

The uncertainty in the trade environment arising out of trade war between the two major global economies, the volatility in financial markets, the challenges thrown by the growing use of app-based cab services and various other factors which have brought the Indian automotive industry to its worst phase in last 20 years are all enormous challenges facing the economy in general and steel industry in particular. In addition, there are challenges in the nature of financial risks with contraction in liquidity adversely affecting availability and cost of capital.

The Company had taken various pre-emptive and proactive measures such as substantial reduction in its reliance on the auto sector and diversifying into other user industries. The Company has also staved off the impact of liquidity contraction by substantial deleveraging through efficient working capital management and sound risk management.

FINANCIAL PERFORMANCE**(Rs. in Lakhs)**

Particulars	For the year ended on 31.03.2019	For the year ended on 31.03.2018
Revenue from Operation	15406.47	11354.63
Other Income	85.90	34.14
Profit before Finance Cost	458.09	358.74
Finance Cost	50.18	46.01
Profit before Tax	407.91	312.73
Tax	100.58	113.44
Profit after Tax	307.33	199.29

HUMAN RESOURCES

People management is the backbone of your Company and it is regarded as one of the important resources for the success of Company. The Company strongly believes that the employees' welfare, development and their performance are important contributors to the Company. The Whistle Blower Policy plays an important role as a watchdog. The Company's total permanent employee strength as on 31st March, 2019 stood at 82.

**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.

KEY FINANCIAL RATIOS

Particulars	2018-19	2017-18
Debtors Turnover	5.98	4.85
Inventory Turnover	22.66	14.33
Interest Coverage Ratio	9.13	7.80
Current Ratio	2.94	2.51
Debt Equity Ratio	0.50	0.59
Operating Profit Margin (%)	2.97	3.16
Net Profit Margin (%)	1.99	1.76
Return on Net Worth	11.51	8.01
Earnings per Share (EPS) (₹)	4.19	2.72

- There is a significant change (i.e. changes of 25% or more as compared to immediate previous financial year) in Inventory Turnover and this is due to increase in business operations of the Company.
- The increase in Return on Net Worth and EPS in 2018-19 as compared to 2017-18 is due to increase in Profit after Tax.

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 Audit of the Ind AS Financial Statements****1. Opinion**

We have audited the Ind AS financial statements of **Metal Coatings (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

4. Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection



and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7 Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 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 (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Ind AS financial statements-Refer Note 35 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Ind AS financial statements since they do not pertain to the financial year ended 31 March 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N

Sd/-
Mukesh Dadhich
Partner
M.No. 511741

Date : 24th May, 2019
Place : New Delhi

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report the following:

- (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 our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory and no material discrepancies were observed on physical verification done by the management.
- (iii) 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. Since, the company has not granted any loans, 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, duty of excise, service tax, Goods and Service Tax, duty of customs, 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, Goods and Service Tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations and records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax and cess which have not been deposited by the company on account of any dispute are as follow:

Nature of statute	Nature of the dues	Period to which the amount relates	Forum where dispute is pending	Amount (Rs.In lakhs)
Income Tax Act, 1961	Income Tax	AY 2005-06	Assessing Officer	1.41
Income Tax Act, 1961	Income Tax	AY 2008-09	Assessing Officer	1.64
Income Tax Act, 1961	Income Tax	AY 2012-13	Income Tax Appellate Tribunal (ITAT)	2.43
Income Tax Act, 1961	Income Tax	AY 2013-14	Commissioner of Income Tax Appeals	0.48
Income Tax Act, 1961	Income Tax	AY 2014-15	Commissioner of Income Tax Appeals	1.06



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (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 explanations 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 given 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**

**Sd/-
Mukesh Dadhich
Partner
M.No. 511741**

**Date : 24th May, 2019
Place : New Delhi**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 with reference to Ind AS financial statements of **Metal Coatings (India) Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS 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 with reference to Ind AS financial statements 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 (the "Guidance Note") 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to Ind AS financial statements 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 control system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, 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 judgement, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements 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 Ind AS 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 Ind AS financial statements.



Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Sd/-
Mukesh Dadhich
Partner
M.No. 511741**

**Date : 24th May, 2019
Place : New Delhi**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(Rs. in lakhs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	538.96	635.03
Deferred Tax Assets (Net)	13	8.44	-
Other non-current assets	3	10.66	10.66
Total Non-current assets		558.06	645.69
Current assets			
Inventories	4	594.67	764.90
Financial Assets			
- Trade receivables	5	2731.16	2423.13
- Cash and cash equivalents	6	8.87	7.09
- Other bank balances	7	56.53	40.71
- Loans Receivables	8	4.46	4.03
Current Tax Assets (Net)		33.26	32.67
Other current assets	9	22.88	30.97
Total Current assets		3451.83	3303.50
Total Assets		4009.89	3949.19
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	10	732.68	732.68
Other Equity	11	1937.80	1753.99
Total Equity		2670.48	2486.67
LIABILITIES			
Non-current liabilities			
Provisions	12	166.71	126.89
Deferred tax liabilities (net)	13	-	17.23
Total Non-current liabilities		166.71	144.12
Current liabilities			
Financial Liabilities			
- Borrowings	14	766.31	961.99
- Trade payables			
Dues of Micro and Small enterprises	15	88.32	-
Dues of creditors other than Micro and Small enterprises	15	1.03	4.48
- Other financial liabilities	16	116.98	102.42
Other current liabilities	17	44.35	92.23
Provisions	18	128.44	110.89
Current Tax Liabilities (Net)		27.27	46.39
Total current liabilities		1172.70	1318.40
Total Equity and Liabilities		4009.89	3949.19
Significant Accounting Policies	1		
See accompanying notes to the financial statements	2 to 37		
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

(MUKESH DADHICH)
Partner
Membership No. 511741

R. C. Khandelwal
Chairman & Whole-time Director
DIN : 00124085

Pramod Khandelwal
Managing Director
DIN : 00124082

Date : 24.05.2019
Place : New Delhi

Piyush Jain
Company Secretary
PAN : APEPJ2369E

R. A. Sharma
CFO
PAN : AMTPS3388J

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(Rs. in lakhs)

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
INCOME			
Revenue From Operations	19	15406.47	11354.63
Other income	20	85.90	34.14
Total Income		15492.37	11388.77
EXPENSES			
Cost of materials consumed	21	13229.66	8979.74
Changes in inventories of finished goods, and work in progress	22	(49.32)	94.32
Excise duty		-	307.30
Employee benefits expense	23	580.15	535.27
Finance costs	24	50.18	46.01
Depreciation and amortisation expense	2	63.58	69.68
Other expenses	25	1210.21	1043.72
Total expenses		15084.46	11076.04
Profit/ (loss) before tax		407.91	312.73
Tax expense			
a) Current tax	26	112.63	122.89
c) Deferred tax	13	(12.05)	(9.45)
Total Tax Expenses		100.58	113.44
Profit for the year		307.33	199.29
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	23.2	(48.95)	(40.79)
(ii) Income tax relating to items that will not be reclassified to profit or loss		13.62	13.49
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other Comprehensive Income for the year		(35.33)	(27.30)
Total Comprehensive Income for the year		272.00	171.99
Earnings per equity share of face value of Rs. 10 each			
a) Basic (Rs.)	27	4.19	2.72
b) Diluted (Rs.)	27	4.19	2.72
Significant Accounting Policies			
See accompanying notes to the financial statements	1 2 to 37		

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

(MUKESH DADHICH)
Partner
Membership No. 511741

R. C. Khandelwal
Chairman & Whole -time Director
DIN : 00124085

Pramod Khandelwal
Managing Director
DIN : 00124082

Date : 24.05.2019
Place : New Delhi

Piyush Jain
Company Secretary
PAN : APEPJ2369E

R. A. Sharma
CFO
PAN : AMTPS3388J

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019****A. EQUITY SHARE CAPITAL**

(Rs. in lakhs)

Balance at the beginning of the reporting period i.e. 01st April, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019
732.68	--	732.68

B. OTHER EQUITY

(Rs. in lakhs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 1st April, 2018	6.14	135.59	26.16	1586.10	1753.99
Total Comprehensive Income for the year				272.00	272.00
Dividends				(73.27)	(73.27)
Tax on dividend				(14.92)	(14.92)
Transfer to / (from) retained earnings					
Balance at the end of the reporting period i.e. 31st March, 2019	6.14	135.59	26.16	1769.91	1937.80

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

(MUKESH DADHICH)

Partner

Membership No. 511741

For and on behalf of the Board

R. C. Khandelwal

Chairman & Whole -time Director

DIN : 00124085

Pramod Khandelwal

Managing Director

DIN : 00124082

Piyush Jain

Company Secretary

PAN : APEPJ2369E

R. A. Sharma

CFO

PAN : AMTPS3388J

Date : 24.05.2019

Place : New Delhi

**CASH FLOW STATEMENT FOR THE ACCOUNTING YEAR ENDED 31ST MARCH, 2019**

(Rs. in lakhs)

Particulars	For the period ended 31.03.2019	For the period ended 31.03.2018
A. Cash flow from Operating Activities :		
Net Profit before tax as per statement of Profit and Loss	407.91	312.73
Adjustment for		
(Profit)/Loss on sale / Discard of Assets-Net	1.16	1.26
Depreciation / Amortisation Expense	63.58	69.68
Finance Cost	50.18	46.01
Operating profit before working capital changes	522.83	429.68
(Increase)/Decrease in Sundry Debtors	(308.03)	(160.82)
(Increase)/Decrease in Inventories	170.23	55.45
(Increase)/Decrease in other Current Assets	(8.75)	20.45
Increase/(Decrease) in Current Liabilities	32.43	(29.61)
Effect of Other Comprehensive Income	(48.95)	(40.79)
Increase/(Decrease) in Short & Long term provisions	57.37	35.91
Cash generated from operations	417.13	310.27
Interest paid	(50.16)	(45.71)
Tax Paid	(112.63)	(122.89)
Net cash from operating activities	254.34	141.67
B. Cash flow from investing activities		
Additions in tangible and intangible assets (Including capital work in progress and advances on capital account)	(1.35)	33.78
Proceeds from disposal of tangible and intangible Assets	32.67	7.64
Proceeds from sales of Investment	-	-
Net cash from Investing Activities	31.32	41.42
C. Cash flow from Financing Activities		
Proceeds from new borrowings	-	-
Dividend Paid (Including Dividend Distribution Tax)	(88.19)	(88.48)
Repayment of interest on car Loan	(0.01)	(0.30)
Proceeds from preferential issue of shares	-	-
Repayment of borrowing	(195.68)	(102.01)
Net cash from Financing Activities	(283.88)	(190.79)
Net cash flows during the year (A+B+C)	1.78	(7.70)
Cash and cash equivalents (Opening balance)	7.09	14.79
Cash and cash equivalents (Closing balance)	8.87	7.09

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.

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

For and on behalf of the Board

(MUKESH DADHICH)
Partner
Membership No. 511741

R. C. Khandelwal
Chairman & Whole -time Director
DIN : 00124085

Pramod Khandelwal
Managing Director
DIN : 00124082

Date : 24.05.2019
Place : New Delhi

Piyush Jain
Company Secretary
PAN : APEPJ2369E

R. A. Sharma
CFO
PAN : AMTPS3388J

**Note No. -1****Significant Accounting Policies and Notes to Accounts****A - CORPORATE INFORMATION**

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

B - SIGNIFICANT ACCOUNTING POLICIES**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets & liabilities and defined benefit plans which have been measured at fair value amount. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle which has been taken as 12 months. Company's financial statements are presented in Indian Rupees, which is also its functional currency.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost, net of trade discount, rebates and recoverable taxes less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. 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. The Company has elected to continue with the carrying value of all of its property, plant and equipment at the transition date and use that carrying value as the deemed cost of the property, plant and equipment.

(d) 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. Leasehold improvements are carried at historical cost. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Depreciation on leasehold improvements are provided using straight line method based on management estimate of useful life of the assets. Gains or losses arising from de-recognition of leasehold improvements 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.

(e) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. Intangible assets are amortized using straight line method based on management estimate of useful life of the assets.

**(f) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usages.

(g) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(h) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of scrap, which is valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

(i) Impairment of property, plant and equipment and intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Others assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(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. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

(k) Employee Benefits Expense**Short Term Employee Benefits obligation**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include compensated absences and performance incentives

Other long-term Employee Benefit obligations

The liabilities for earned leave which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured on the basis of independent actuarial valuation certificate as the present value of the expected future payments to be made in respect of service provided by the employees upto the end of the reporting period.

**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the eligible employees in accordance with the payment of Gratuity act, 1972. The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are calculated at the end of the reporting period by actuaries using the projected unit credit method. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(l) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax** : Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax** : Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign Exchange Transaction and translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(n) Revenue recognition

Revenue is recognised when control of the products being sold has transferred to the customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied as Company no longer have control over the inventory. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Indirect Taxes. No element of financing is present in the pricing arrangement. Settlement terms range from cash-on-delivery to credit terms ranging upto 120 days.

(o) Dividend Income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

(p) Financial Instruments**Financial Assets**

-**Measurement** - At initial recognition, the Company measures a financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction cost that are directly attributable to



the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed off in the statement of profit or loss. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debts investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in profit or loss when the assets is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

-Investment - The Company account for its investments in subsidiaries, associates and joint venture at cost and all other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in Other Comprehensive Income.

- Impairment of financial assets - The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables Company applies simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

- Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

- Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short

Derecognition of financial instruments -The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(q) Earning per Share

Basic earning per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year. The Company did not have any potentially dilutive securities in any of the years presented.

(r) Costs and expenses are recognised when incurred and have been classified according to their nature.

(s) Use of estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. The Company has a policy to review these estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

C - RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. The Company does not expect any impact of the adoption of the amended standard on its financial statements.

**Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

- (1) The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS-12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty Consolidated Financial Statements.
- (2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.



(Rs. in lakhs)

2. PROPERTY, PLANT & EQUIPMENT

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Total as on 01.04.2018	Additions	Sold / Discarded *	Total as on 31.03.2019	Total as on 01.04.2018	For the period ended 31.03.2019	Dep. On discarded assets *	Total as on 31.03.2019	As on 31.03.2018
Tangible Assets									
Own Assets									
Land	85.17	-	-	85.17	-	-	-	85.17	85.17
Buildings *	435.74	-	47.05	388.69	172.96	11.05	16.88	167.13	262.78
Plant & Machinery	1024.41	-	14.35	1,010.06	794.60	32.38	10.69	816.29	229.81
Motor Vehicles	156.20	-	-	156.20	108.51	18.58	-	127.09	47.69
Furniture, Fixtures	2.34	-	-	2.34	2.01	0.14	-	2.15	0.33
Office Equipment	8.22	-	-	8.22	5.80	0.48	-	6.28	2.42
Computers	4.44	1.34	-	5.78	3.41	0.53	-	3.94	1.03
Sub Total	1716.52	1.34	61.40	1,656.46	1087.29	63.16	27.57	1,122.88	629.23
Leased Assets									
Leasehold Improvements	14.03	-	-	14.03	8.23	0.42	-	8.65	5.80
Total	1730.55	1.34	61.40	1670.49	1095.52	63.58	27.57	1131.53	635.03
Previous year	1767.49	0.63	37.57	1,730.55	1055.06	69.13	28.67	1095.52	712.43

Carrying amount of tangible assets are mortgaged as security for borrowings.

* This amount indicates the Building destroyed due to fire occurred in the factory on 25th October 2018. The Gross value of which is Rs. 47.05 lakhs, accumulated depreciation till date of fire is Rs. 16.88 Lakhs and the Claim received from the insurance company is of Rs. 28.62 Lakhs, accordingly loss due to fire on building of Rs.1.55 lakhs is recognised during the current year.



(Rs. in lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
3 OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Security Deposit	10.66	10.66
Total	10.66	10.66
4 INVENTORIES		
Raw Materials	211.02	429.19
Work in Process	208.95	255.02
Finished Goods	169.70	65.06
Stores & Spares	1.83	3.21
Scrap Material	3.17	12.42
Total	594.67	764.90
Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of scrap, which is valued at net realisable value. Carrying amount of inventories are hypothecated as security for borrowings		
5 TRADE RECEIVABLES		
Trade Receivable considered good - Unsecured	2731.16	2423.13
Includes due from Related Parties Rs. 750.82 lacs (Previous year Rs. Nil).		
Carrying amount of Trade Receivables have been hypothecated to bank for the working capital facilities availed.		
6 CASH AND CASH EQUIVALENTS		
- Cash in hand	5.80	2.69
- Balances with Bank	3.07	4.40
Total	8.87	7.09
7 OTHER BANK BALANCES		
- Earmarked balances with Bank	52.90	40.71
- Fixed Deposits pledged with Bank	3.63	-
Total	56.53	40.71
8 LOANS RECEIVABLES		
Advance to Employees		
Loan Receivable considered good - Unsecured	4.46	4.03
9 OTHER CURRENT ASSETS		
Balance with Government Authorities	1.86	1.78
Prepaid Expenses	1.34	2.80
Advance to Suppliers	16.84	26.39
Others	2.84	-
Total	22.88	30.97
10 EQUITY SHARE CAPITAL		
Authorised Capital		
80,00,000 (Previous Year 80,00,000) Equity Shares of Rs. 10/- each.	800.00	800.00
Issued , Subscribed & Paid up Capital		
73,26,800 (Previous Year 73,26,800) Equity Shares of Rs. 10/- each.	732.68	732.68

The details of Shareholders holding more than 5% shares :

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% held	No. of Shares	% held
Khandelwal Galva Strips Pvt. Ltd.	17,45,499	23.82	17,45,499	23.82
Pramod Khandelwal	12,13,390	16.56	12,13,390	16.56
Ramesh Chander Khandelwal	10,43,858	14.25	10,43,858	14.25
Lehartechologies.Com Pvt. Limited	5,01,752	6.85	5,01,752	6.85
Bondwell Financial Services (P) Ltd.	4,41,100	6.02	4,41,100	6.02
	49,45,599	67.50	49,45,599	67.50


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

	As at 31.03.2019	As at 31.03.2018
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

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.

Particulars	(Rs. in lakhs)	
	As at 31.03.2019	As at 31.03.2018

11 OTHER EQUITY
Capital Reserve

As per last Balance Sheet 6.14 6.14

Security Premium

As per last Balance Sheet 135.59 135.59

General Reserve

As per last Balance Sheet 26.16 26.16

Retained Earnings

Balance at the beginning of the year 1586.10 1502.59

Add: Profit for the year 307.33 199.29

Add : Other Comprehensive Income (35.33) (27.30)

Less : Appropriations

Less : Payment of Dividend 73.27 73.27

Less : Dividend distribution tax 14.92 15.21

Total 1769.91 1586.10

Total

1937.80 1753.99

Nature and purpose of reserves :

Capital Reserve - Capital Reserve was created consequent to forfeiture of shares

Securities Premium - Securities Premium Reserve was created consequent to issue of shares at a premium. The reserves can be utilised in accordance with section 52 of Companies Act, 2013

General Reserve : The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, item included in the general reserve will not be reclassified subsequently to statement of profit and loss.

12 PROVISIONS - NON CURRENT

Provision for employee benefits 166.71 126.89

Total

166.71 126.89

13 DEFERRED TAX LIABILITIES / (ASSETS) - NET

At the start of the year 17.23 40.17

Charge / (Credit) to statement of Profit & Loss (12.05) (9.45)

Charge / (Credit) to Other Comprehensive Income (13.62) (13.49)

At the end of the year (8.44) 17.23

(Rs. in lakhs)

Component of deferred tax liabilities / (Assets)	As at 31.03.2018	Charge/(Credit) to Total Comprehensive Income	As at 31.03.2019
Deferred tax liabilities / (Assets) in relation to Property, Plant and Equipment	95.85	(22.17)	73.68
Provisions	(78.62)	(3.49)	(82.11)
	<u>17.23</u>	<u>(25.66)</u>	<u>(8.44)</u>



(Rs. in lakhs)

Particulars	As at	As at
	31.03.2019	31.03.2018
14 BORROWINGS - CURRENT		
Secured - At amortised cost	766.31	961.99
Working Capital Limit from Bank		
(Secured against hypothecation of trade receivables, inventories and by way of mortgage of land, buildings and Plant & Machinery. This is also secured by personal guarantee of whole time directors and Managing Director.		
15 TRADE PAYABLES		
Dues of Micro and Small enterprises (Refer Note No. 29)	88.32	-
Dues of creditors other than Micro and Small enterprises	1.03	4.48
Total	89.35	4.48
16 OTHER FINANCIAL LIABILITIES		
Current maturity of long term debts *	-	0.62
Unclaimed Dividend**	52.90	40.71
Employee Benefits Payable	38.07	32.79
Other Payables	26.01	28.30
Total	116.98	102.42
* : This was secured against hypothecation of motor vehicles purchased out of such loans.		
** : Investor Education and Protection Fund will be credited as and when due.		
17 OTHER CURRENT LIABILITIES		
Payable in respect of statutory dues	42.71	48.38
Advance received from Customers	-	43.85
Other Payable	1.64	-
Total	44.35	92.23
18 PROVISIONS - CURRENT		
Provision for Employee Benefits	128.44	110.89
Total	128.44	110.89

(Rs. in lakhs)

Particulars	For the	For the
	year ended	year ended
	31.03.2019	31.03.2018
19 REVENUE FROM OPERATIONS		
Sale of Products	15215.52	11021.78
Other operating revenues	190.95	332.85
Total	15406.47	11354.63
Effective April 1, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the Company.		
20 OTHER INCOME		
Rent	24.00	24.00
Interest Income	1.51	0.61
Other non-operating income	60.39	9.53
Total	85.90	34.14
21 COST OF MATERIALS CONSUMED		
H. R. Coils	13229.66	8979.74



(Rs. in lakhs)

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
22 CHANGE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS				
Inventories (Closing)				
Work in Progress	208.95		255.02	
Finished Goods	169.70		65.06	
Scrap Material	3.17		12.42	
Total	381.82		332.50	
Inventories (Opening)				
Work in Progress	255.02		263.89	
Finished Goods	65.06		160.19	
Scrap Material	12.42		2.74	
Total	332.50		426.82	
(Increase) / Decrease in Inventory	(49.32)		94.32	
23 EMPLOYEE BENEFITS EXPENSES				
Salaries and Wages	529.14		496.06	
Contribution to Provident and other funds	45.94		32.33	
Staff welfare expenses	5.07		6.88	
	580.15		535.27	
	(Rs. in lakhs)			
23.1 Reconciliation of opening and closing balance of defined benefit obligation	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Obligation at beginning of year	209.40	28.38	167.09	19.61
Current service cost	13.32	1.92	10.68	1.59
Interest cost	15.71	2.13	12.95	1.52
Actuarial (gain) / loss	32.75	16.20	33.59	7.20
Benefits paid	(3.14)	(21.52)	(14.91)	(1.54)
Obligation at year end	268.04	27.11	209.40	28.38
23.2 Experience recognised during the year				
In Income Statement				
Current Service Cost	13.32	1.92	10.68	1.59
Interest Cost	15.71	2.13	12.95	1.52
Return on Plan Assets	-	-	-	-
Net Cost	29.03	4.05	23.63	3.11
In Other Comprehensive Income				
Actuarial (Gain) / Loss	32.75	16.20	33.59	7.20
Return on Plan Assets	-	-	-	-
Net (Income) / Expense for the period recognised in OCI	32.75	16.20	33.59	7.20
23.3 The defined benefit obligations shall mature after year ended March 31, 2019 as follows:				
01 Apr 2019 to 31 Mar 2020		117.23		
01 Apr 2020 to 31 Mar 2021		19.00		
01 Apr 2021 to 31 Mar 2022		17.36		
01 Apr 2022 to 31 Mar 2023		17.30		
01 Apr 2023 to 31 Mar 2024		19.88		
01 Apr 2024 Onwards		77.70		
23.4 Actuarial assumptions				
Discount rate (per annum)	7.50%	7.50%	7.75%	7.75%
Salary growth rate (per annum)	7.50%	7.50%	5.00%	5.00%
Withdrawal rate (per annum)				
- for 18 to 30 Years	9.50%	9.50%	5.00%	5.00%
- for 30 to 44 Years	9.50%	9.50%	3.00%	3.00%
- for 44 to 58 Years	9.50%	9.50%	2.00%	2.00%
Mortality	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate
24 FINANCE COST				
Interest		46.43		46.01
Other borrowing cost		3.75		-
Total		50.18		46.01



(Rs. in lakhs)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
25 OTHER EXPENSES		
Manufacturing expenses		
Stores & Spares	231.15	195.62
Power & Fuel	485.80	434.35
Job Work Charges	119.69	119.38
Repair to Machinery	135.36	129.51
Repair to Building	2.54	3.36
	974.54	882.22
Selling and Distribution Expenses		
Distribution Expenses	113.08	77.87
Administrative & Miscellaneous Expenses		
Bad Debts written off	26.95	19.20
Bank Charges	1.13	0.86
Insurance	2.75	2.87
Payment to Auditors	7.46	6.71
Professional Fee	9.19	11.04
Rates & Taxes	6.40	6.65
Rent	0.56	0.36
Travelling, Vehicle Running & Maintenance Expenses	21.96	11.93
Cash Discount	1.11	-
Loss on sale of fixed assets	1.16	1.90
Loss due to fire	2.54	-
Miscellaneous Expenses	41.38	22.11
TOTAL	122.59	83.63
Grand Total	1210.21	1043.72
PAYMENT TO AUDITORS (EXCLUSIVE OF GST AND SERVICE TAX) AS :		
Audit Fees (Includes audit fees of quarterly review)	5.55	5.55
Tax Audit Fees	0.95	0.95
Fees for Certification Work & others	0.21	0.21
GST Audit Fees	0.75	-
TOTAL	7.46	6.71
26 TAXATION		
Income tax recognised in Statement of Profit and Loss		
a) Current tax	112.63	122.89
b) Deferred tax	(12.05)	(9.45)
Total income tax expenses recognised in the current year	100.58	113.44
Provision for current tax for the year includes tax adjustment related to earlier years amounting to Rs. -9.59 lacs (previous year Rs. -1.56 lacs)		
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	358.96	312.73
Applicable Tax Rate	27.820%	33.063%
Computed Tax Expense	99.86	103.40
Tax effect of :		
Exempted income		
Expenses disallowed	22.36	21.05
Adjustment of Tax on other Comprehensive Income		
Total	122.22	124.45
Tax adjustment related to earlier years	(9.59)	(1.56)
Current Tax Provision - A	112.63	122.89
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(22.17)	(6.05)
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	(3.49)	(16.89)
Deferred tax Provision (B)	(25.66)	(22.94)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	86.97	99.95
Effective Tax Rate	0.24	0.32



The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions, and computation of, or eligibility of, certain tax incentives or allowances. The Company has contingent liability in respect of demands from direct tax authorities in India, which are being contested by the Company on appropriate level. Refer Point No.-35. The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions it operates in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by the income tax authorities will not succeed on ultimate resolution.

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
27 EARNING PER SHARE (EPS)		
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs)	307.33	199.29
No. of Shares used as denominator for calculating EPS	7326800	7326800
Basic and Diluted Earning per share (Rs)	4.19	2.72
Face Value per equity share (Rs.)	10	10

28 Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the year ended on 31st March, 2019 are not comparable with the previous periods presented.

29 There is no amount over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

(Rs. in lakhs)

Fair value measurement hierarchy	31.03.2019 Carrying Amount	31.03.2018 Carrying Amount
Financial Assets		
At amortised Cost		
Trade Receivables	2731.16	2423.13
Cash and Bank Balances	65.40	47.80
Loans Receivables	4.46	4.03
Financial Liabilities		
- Borrowings	766.31	961.99
- Trade payables	89.35	4.48
- Other financial liabilities	116.98	102.42

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i. Credit risk - Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from trade receivables. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

a. Trade receivables - The Company has an established credit policy and a credit review mechanism. The concentration of credit risk arising from trade receivables is limited due to large customer base. Management believes that the unimpaired amounts that are past due are collectible in full, based on historical payment behaviour and analysis of customer credit risk.

b. Financial instruments and cash deposits – Company periodically reviews the credit risk arising from balances / deposits with banks, other financial assets and current investments, if any, and manage the same accordingly.

ii. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.



(Rs. in lakhs)

Current Financial Liabilities	31.03.2019		31.03.2018	
	Carrying Amount	Less than 1 year	Carrying Amount	Less than 1 year
Borrowings	766.31	766.31	961.99	961.99
Trade Payables	89.35	89.35	4.48	4.48
Other Financial Liabilities	116.98	116.98	102.42	102.42

iii. Market risk

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices such as currency risk, interest rates risk and commodity price risk.

a) Currency risk - The company's operates its business only in Indian territory and as such there is no foreign exchange risk to the Company

b) Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk can also impact the provision for retiral benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

c) Commodity risk - The Company is exposed to the fluctuations in commodity prices mainly for H. R. Coils. Mismatch in demand and supply, adverse market conditions, market expectations etc., can lead to price fluctuations. The Company manages these price fluctuations by entering into the MOUs with the major supplier.

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds. The Company's adjusted net debt to equity position was as follows:

(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
Total Borrowings	766.31	961.99
Less : Cash and Cash Equivalents including Deposits	12.50	7.09
Adjusted net (cash)/debt	753.81	954.90
Total Equity	2670.48	2486.67

31 Events after the reporting period

Dividends paid during the year ended March 31, 2019 include an amount of Rs. 1.00 per equity share towards final dividend for the year ended March 31, 2018. Dividends paid during the year ended March 31, 2018 include an amount of Rs. 1.00 per equity share towards final dividend for the year ended March 31, 2017.

Dividend declared by the Company is based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On May 24, 2019, the Board of Directors of the Company have proposed a final dividend of Rs. 0.50 per share in respect of the year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of Rs. 44.16 lacs, inclusive of corporate dividend tax of Rs. 7.53 lacs.

The Board of Directors has recommended a dividend of 5% (Re 0.50/- per equity share of Rs. 10/- each) aggregating Rs. 44.16 lacs, including Rs. 7.53 lacs dividend distribution tax for the financial year 2018-19 subject to approval of Shareholders in the Annual General Meeting

32 The sitting fees paid to non-executive directors is Rs. 0.52 lacs and Rs. 0.68 lacs as at March 31, 2019 and 2018, respectively.

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 24th May, 2019

34 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 Lakhs)

Name of related party with Description of relationship	Nature of Transaction	Value of transaction for the period ended 31.03.2019	Outstanding as on 31.03.2019	Payable - P Receivable - R	Written off During Year ended 31.03.2019
Mr. Vinay Khandelwal Brother of Mr. Pramod Khandelwal, Managing Director of the Company	Rent paid / Payable	0.36	--	--	Nil
		(0.36)	(--)	(--)	(Nil)
M/s Khandelwal Busar Industries Pvt. Ltd. (Formerly known as Kochar Agro Industries Pvt. Ltd.) Enterprise in which Mr. R. C. Khandelwal, Whole Time Director, Mr. Pramod Khandelwal, Managing Director of the Company have substantial interest.	Sales	2324.14	750.82	(R)	Nil
		(35.02)	(--)	(--)	(Nil)
	Purchases	928.58	88.32	(P)	Nil
		(--)	(--)	(--)	(Nil)
		Job Work Income	27.30	--	(--)
Rent Received / Receivable	(66.21)	--	(--)	(Nil)	
		24.00	--	--	Nil
		(24.00)	(--)	(--)	(Nil)
M/s SWD Industries Firm in which Mr. R.C. Khandelwal Whole Time Director of the Company is partner	Sales	0.92	1.09	(R)	Nil
		(--)	(--)	(--)	(--)
	Purchases	--	--	--	Nil
		(0.27)	(--)	(--)	(Nil)
Mr. R. C. Khandelwal Whole Time Director of the Company	Remuneration and Leave Encashment	134.61 (108.60)	5.94 (3.88)	P (P)	Nil (Nil)
Mr. Pramod Khandelwal Managing Director of the Company	Remuneration and Leave Encashment	134.61 (108.60)	5.94 (3.88)	P (P)	Nil (Nil)
Late Mr. A. P. Khandelwal Director of the Company	Remuneration and perquisites	-- (24.12)	-- (--)	-- (P)	-- (Nil)
Mr. V. K. Hajela Independent Director of the Company	Sitting Fee	-- (0.20)	-- (0.18)	-- (P)	-- (Nil)
Mr. S. K. Gupta Independent Director of the Company	Sitting Fee	0.30 (0.36)	0.27 (0.32)	P (P)	Nil (Nil)
Ms. Neha Gupta Independent Director of the Company	Sitting Fee	0.18 (0.12)	0.16 (0.11)	P (P)	Nil (Nil)
Mr. Santosh Khandelwal Additional Independent Director of the Company	Sitting Fee	0.04 (--)	0.03 (--)	P (--)	Nil (--)

- Previous year figures has been shown in bracket

- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

- The above figures do not include provisions for encashable leave and gratuity, as separate actuarial valuation are not available.

**35 CONTINGENT LIABILITIES AND COMMITMENTS :****35.1 Income Tax demand outstanding**

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	1.41	AY 2005-06	AO
Income Tax Act, 1961	Income Tax	1.64	AY 2008-09	AO
Income Tax Act, 1961	Income Tax	2.43	AY 2012-13	ITAT
Income Tax Act, 1961	Income Tax penalty u/s 271(1)(c)	0.48	AY 2013-14	CIT
Income Tax Act, 1961	Income Tax penalty u/s 271(1)(c)	1.06	AY 2014-15	CIT

* : Excluding interest under Income Tax Act

35.2 The HSIIDC has increased the price of land by Rs. 20.76 lacs and demanded the enhanced price. This matter is pending in the District and Sessions court, Faridabad. The Company has however, paid Rs. 5.25 lacs. Also, there might be consequent liability in the nature of interest.

35.3 The Company has no capital commitments during the current and previous year.

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

37 The Company is predominantly engaged in the single business segment of Metal sector.

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

(MUKESH DADHICH)

Partner

Membership No. 511741

For and on behalf of the Board

R. C. Khandelwal

Chairman & Whole -time Director

DIN : 00124085

Pramod Khandelwal

Managing Director

DIN : 00124082

Piyush Jain

Company Secretary

PAN : APEPJ2369E

R. A. Sharma

CFO

PAN : AMTPS3388J

Date : 24.05.2019

Place : New Delhi

