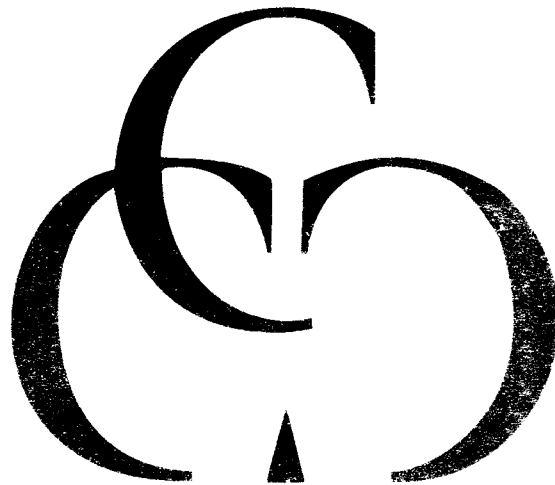


18th

ANNUAL REPORT 2011-2012



METAL COATINGS (INDIA) LIMITED

CORPORATE INFORMATION

DIRECTORS

R. C. Khandelwal Chairman
Pramod Khandelwal Managing Director
A. P. Khandelwal
Virendra Hajela
K. L. Gupta
S. K. Gupta

AUDITORS

Vinod Kumar & Associates
Chartered Accountants
909, Chiranjiv Tower, 43, Nehru Place NewDelhi-110019

BANKERS

Canara Bank
36-37, Community Centre,
East of Kailash, New Delhi

REGISTERED OFFICE

A-178/12A, Ground Floor, Dayanand Colony,
Lajpat Nagar-IV, New Delhi - 110024.

WORKS

- (i) Sector - 45, Meola Maharajpur,
Faridabad - 121003.
- (ii) 113, HSIIDC Industrial Estate,
Sector-59, Faridabad - 121004.

18TH ANNUAL GENERAL MEETING

Day : Friday
Date : 28th September, 2012
Time : 11.30 a.m.
Venue : Hotel Impress
A-25, Kh No 393,
Mahipalpur, Near N.H.-8
Vasant Kunj Road,
New Delhi - 110037

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of Metal Coatings (India) Limited will be held at Hotel Impress, A-25, Kh. No 393, Mahipalpur, Near N.H. – 8, Vasant Kunj Road, New Delhi - 110037 on Friday the 28th day of September, 2012 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account for the Accounting Year (15-months period) ended on that date, and the report of the Directors thereon.
2. To appoint a Director in place of Mr. R. C. Khandelwal, who retires by rotation and who, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Pramod Khandelwal who retires by rotation and who, being eligible, offers himself for reappointment.
4. To declare a dividend for the accounting year (15 months period) ended 31st March, 2012.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:

To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.”

7. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION:

To Consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the existing **Clause V** of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorised Share Capital of the Company is 8,00,00,000/- (Rupees Eight Crores only) divided into 80,00,000 (Eighty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten only).”

8. PREFERENTIAL ALLOTMENT

To Consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines/regulations/ rules issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any committee constituted for the time being in force, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorised to offer, issue and allot by way of Preferential allotment up to **23,00,000 [Twenty Three Lacs]** Convertible Warrants of Face Value of Rs.10/- each (Rupees Ten only) being issued and allotted to domestic investors and/or bodies corporate (the **“Preferential Shareholders”**), on preferential allotment basis without offering the same to any persons who at the date of offer, are holders of the Equity Shares on such terms and conditions and in such manner as the Company may deem fit, with power to the Board to settle details as to form, the terms and conditions of issue and/or allotment and to modify or accept any modifications thereto and utilization of the issue proceeds as it may in its absolute discretion deem fit, without being required to seek any further consent of the Members, with the intent that the Members shall be deemed to have given their consent thereto expressly by the authority of this resolution.



Sr. No.	Name of the Proposed Allottees	Number of Convertible Warrants Proposed to be allotted
A	PROMOTER & PROMOTER GROUP	
1.	Ramesh Chandra Khandelwal	5,00,000
2.	Pramod Khandelwal	5,00,000
3.	M/s. Khandelwal Galva Strips Private Limited	5,00,000
	Total (A)	15,00,000
B	NON- PROMOTERS	
4.	M/s. Microne Texfab Private Limited	6,00,000
5.	M/s. Richtime Trading Company Private Limited	2,00,000
	Total (B)	8,00,000
	TOTAL (A) + (B)	23,00,000

RESOLVED FURTHER THAT the aforesaid Convertible Warrants shall rank *pari passu* in all respect pursuant to Conversion of Warrants into Equity Shares with the existing Equity Shares of the Company. The Convertible Warrants allotted on preferential basis shall be locked in from the date of their allotment of Equity Shares pursuant to conversion of warrants for such periods as prescribed in Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT the Convertible Warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the relevant date as per Regulation 71 of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the determination of applicable price of Equity Shares to be issued and allotted upon exercise of rights attached to the Warrants shall be **29th August, 2012** i.e. 30 days prior to the date of this Meeting.

RESOLVED FURTHER THAT each of the aforesaid warrants be converted at the option of the holder at any time within 18 months from the date of issue, into one fully paid-up Equity Share of Rs.10/- each at a price, determined in accordance with the prevailing Regulation for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 and a sum equivalent to 25% of the total consideration per warrant be received on the date of allotment of the said Warrants and the balance 75% of the total consideration per warrant be received at the time of allotment of Equity Shares pursuant to exercise of option against each such warrant by the warrant holder.

RESOLVED FURTHER THAT in the event of the Company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities in whatever proportion prior to the exercise of the rights attached to the warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequences of such bonus/rights issues and that the exercise price of the warrant be adjusted accordingly, subject to such approvals as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) and/ or such other appropriate authority may impose at the time of their approval as agreed by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorised by the Board.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting Convertible Warrants of the Company as aforesaid, the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Convertible Warrants of the Company, as it may in its absolute discretion, deem fit and proper."

9. RE-ISSUE OF 1,22,800 FORFEITED EQUITY SHARES

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:



“RESOLVED THAT in accordance with the Section 81, 81 (1A) and other applicable provisions, if any, of The Companies Act, 1956 (including any amendment thereto or re-enactment thereof), Articles of Association of the Company, Clause 23 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited on which the Company’s shares are listed and the rules/regulations/guidelines, notifications, circulars and clarifications, if any, issued by the Government of India(GOI), the Securities and Exchange Board of India (SEBI) and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board in its absolute discretion to re-issue 1,22,800 forfeited Equity Shares of Rs. 10/- each at a price not less than the price which is to be determined in accordance with the provisions of SEBI(Issue of capital and Disclosure Requirements) Regulations 2009.

RESOLVED FURTHER THAT the aforesaid Equity Shares shall rank *pari passu* in all respect with the existing Equity Shares of the Company. The Equity Shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the relevant date as per Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the determination of applicable price for the issue of Equity Shares shall be 29th August, 2012 i.e. 30 days prior to the date of this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) and/ or such other appropriate authority may impose at the time of their approval as agreed by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate any or all the powers conferred upon it by this resolution, to any Committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorised by the Board.

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting Equity Shares of the Company as aforesaid, the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares of the Company, as it may in its absolute discretion, deem fit and proper.”

For and on behalf of the Board of Directors

Date : 22.08.2012
Place : New Delhi

Sd/-
(PRAMOD KHANDELWAL)
Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Company. A blank proxy form is enclosed. If used, it should be deposited at the registered office of the Company, duly executed not later than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 25th day of September, 2012 to Friday the 28th day of September, 2012 (both days inclusive).
3. The dividend on the Equity Shares when declared at the Annual General Meeting will be paid to those shareholders whose names stand on the Register of Members of the Company as on September 28, 2012.
4. Members are requested to notify immediately any change in their address to the Company’s Registered Office.



5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
6. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual General Meeting. Shareholders are requested to kindly bring their own copies of the Annual Report to the meeting.
7. All the documents referred to in the accompanying notice, and Register of Directors' Shareholding are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting.
8. Children who are not members of the Company would not be allowed to attend the meeting.
9. An Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business of the Notice is annexed hereto.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE MEETING PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:**Item No. 6 and 7:**

To meet the increased financial needs of the Company it is proposed by the Board to induce additional funds by way of increasing the Share Capital. Your Board at its meeting held on 22nd August, 2012, subject to the approval of the shareholders, and receipt of such other statutory/regulatory approvals, as may be required, has proposed to increase the Authorised Share Capital of the Company to that extent, due to which, the existing Capital Clause no. V of the Memorandum of Association of the Company needs to be altered.

The Proposed resolution under this item No. 6 & 7 seeks to obtain Members' approval to alter Capital Clause as mentioned above in the Memorandum of Association of the Company. Pursuant to section 16 of the Companies Act, 1956 if the Memorandum is to be altered, an Ordinary Resolution is required to be passed by the Members of the Company.

Your Board of Directors recommends the Ordinary Resolution for your approval as set out under item No. 6 & 7 of the Notice of Annual General Meeting.

A Copy of the Memorandum of Association of the Company with the proposed amendment will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all working days upto the date of this Annual General Meeting.

None of your Directors are interested in the above resolutions except to the extent of their shareholding in the Company.

Item No. 8:

The Board, in order to support the growth plans of the Company and to consolidate its businesses, is considering / reviewing various options including its business operations which would be beneficial in the interest of the Company and its shareholders. The current business activity of the Company is manufacture and sale of Cold Rolled Steel Strips, C.R. Flat Wire/Strips, Galvanised Wire/Strips. It is intended to raise funds for expansion of business, for meeting long term and short term working capital requirements of the Company for growth, capital expenditure and for general corporate purpose of the Company.

The Convertible Warrants to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of issue. The Equity Shares pursuant to Conversion of Warrants referred to above shall rank *pari passu* with all the existing Shares of the Company in all respects including as to dividend.

Pursuant to Section 81 (1A) of the said Act the further Convertible Warrants may be offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in the General Meeting.

The proposed Special Resolution is designed to comply with the requirements of Section 81 (1A) of the Act in the context of issue.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Act, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and in terms of the provisions of the Listing Agreement to issue and allot Convertible Warrants as stated in the Special Resolution and on the following terms as stated here in below:

I. The object of the issue through preferential offer:

As mentioned above, it is intended to raise funds for expansion of business, capital expenditure, for Long Term and Short Term Working Capital Requirement of the Company, to strengthen the equity base of the Company and to meet expenditure for general corporate purpose.

II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors of the Company have conveyed to the Company in writing of their respective intention that



Promoters/Directors are intended to subscribe to the offer being proposed under special resolution of the Notice for shareholders' approval at this meeting.

Further the Promoter/ Directors may convert the warrants in one or more tranches such that they shall not acquire the voting rights so as to attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

III. Shareholding pattern before and after the Preferential Allotment:

Shareholding pattern before and immediately upon the allotment of 23,00,000 Convertible Warrants on a fully diluted basis pursuant to the Offer.

Shareholding Pattern (Number of Shares):

Sr.No.	Shareholder Category	Shareholding Pattern prior to the Allotment of Warrants		Shareholding Pattern post Allotment of Equity Shares pursuant to Conversion of Warrants	
		No. of Shares	%age	No. of Shares	%age
1.	Promoters	24,97,350	49.68	39,97,350	54.56
2.	Non- Promoters (Others)	25,29,450	50.32	33,29,450	45.44
	Total	50,26,800	100.00	73,26,800	100.00

IV. Proposed time within which the allotment shall be completed:

The allotment of Convertible Warrants are proposed to be completed within a maximum period of 15 days from the date of passing of this resolution at this Annual General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval. The allotment of Equity Shares pursuant to exercise of option by the Warrant holder will be made within a reasonable time after exercise of such option.

V. Auditor Certificate:

The price at which the Equity Shares would be issued by the Company to Promoters and Non Promoters cannot be exactly determined before issue of this notice to the shareholders as it depends on the average of the market prices prevailing in the preceding 2 weeks or 26 weeks as per the SEBI regulation. Hence, the Auditors' Certificate required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 will be made available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to September 28, 2012. The Auditors Certificate will also be sent to the Bombay Stock Exchange Limited (BSE) for general shareholders information.

VI. Lock-in:

The fully Convertible Warrants to be allotted on preferential basis to Promoter Group and Non Promoters shall be locked-in from the date of their allotment of Equity Shares pursuant to conversion of warrants, for such periods as prescribed in Regulation 78 of SEBI (ICDR) Regulations, 2009.

VII. Change in Management:

The proposed preferential allotment of Convertible Warrants will not result in any change in the management and control of the Company. Voting right shall change according to the change in shareholding pattern mentioned above.

VIII. Pricing

The pricing of Convertible Warrants allotted on preferential basis to Promoters and Non Promoters shall not be lower than the price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.

Currently SEBI (ICDR) Regulations, 2009 provides that the issue of shares on preferential basis can be made at a price not less than the higher of the following:

- The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the recognized stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related Equity Shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.



The relevant date for the purpose of pricing shall be 29th August, 2012 being the date which is 30 days prior to the date of this meeting.

“Stock Exchange” for this purpose mean Bombay Stock Exchange Limited on which the trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date.

IX. Payment and Conversion terms:

25% of the value of the Warrant is to be paid on the date of allotment of warrant. The balance 75% is payable at the time of allotment of Equity shares pursuant to exercise of the option for conversion of the warrant. Warrant will be converted at the option of the allottees, into one equity share of Rs.10/- each at a price determined in accordance with the regulations for preferential issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009, at any time within 18 months from the date of allotment. In case the option is not exercised within a period of 18 months from the date of allotment, the aforesaid 25% amount paid on the date of allotment shall be forfeited.

X. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by it:

Identity	Pre Preferential Issue		Post Preferential Issue (assuming Conversion of Warrants)	
	No. of Shares	%age	No. of Shares	%age
Proposed Allottees				
Promoter and Promoter Group				
Ramesh Chandra Khandelwal	3,91,300	7.78	8,91,300	12.16
Pramod Khandelwal	4,18,100	8.31	9,18,100	12.53
M/s. Khandelwal Galva Strips Private Limited	9,14,200	18.19	14,14,200	19.30
Non Promoters				
M/s. Microne Textfab Private Limited	Nil	N.A.	6,00,000	8.19
M/s. Richtime Trading Company Private Limited	Nil	N.A.	2,00,000	2.73

Assumptions:

- (1) All Warrants offered pursuant to the aforesaid resolution have been fully subscribed and allotted.
- (2) The warrants are held by the aforesaid allottees at the time of exercise of the option and
- (3) The options are exercised by them in full.

XI. The Company hereby undertakes that-

- a. It would re-compute the price of the specified securities i.e. Equity Shares proposed to be issued on preferential allotment basis in terms of the provisions of the SEBI (ICDR), Regulations 2009 where it is required to do so;
- b. If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

XII. Interest of Promoter/Directors:

Mr. Pramod Khandelwal and Mr. Ramesh Chandra Khandelwal, being the Promoter and Director of the Company and M/s. Khandelwal Galva Strips Private Limited belonging to Promoter/ Promoter Group of the Company, are deemed to be person acting in concert and therefore concerned or interested in the above resolution.

Further, Mr. Ayodhya Prasad Khandelwal, the Promoter and Director of the Company is deemed to be person acting in concert as Mr. Ayodhya Prasad Khandelwal and Mr. Pramod Khandelwal are relatives and therefore concerned or interested in the resolution.

None of the other Directors of the Company are in anyway, directly or indirectly concerned or interested in the above resolution. Promoters of the company are interested to the extent of their holding in the company.

The members are, therefore, requested to accord their approval authorising the Board to go for the proposed preferential issue as set out in the special resolution.

The Board of Directors recommends the said resolutions for your approval.

Item No. 9

Your Directors at their meeting held on 29th January, 1999 had forfeited 1,22,800 Equity Shares for non-payment of allotment/ call money due. Prior to the forfeiture, your Company had sent forfeiture notices to shareholders in respect of 1,22,800



Equity Shares but have not remitted the outstanding call/ allotment money due and therefore their shares were forfeited.

Article 43 of the Articles of Association of the Company provides that any shares forfeited, shall be sold or disposed of on such terms and in such manner as the Board thinks fit.

Further, the Board of the Directors of the Company at its meeting held on 7th December, 2010 has already reissued and allotted the 1,22,800 forfeited Equity Shares of the face value of Rs. 10/- each at a price of Rs. 14.97/- each (including Premium of Rs. 4.97/- per share) to M/s. Lehartechologies.com Private Limited without seeking your (i.e. shareholders') approval in the General Meeting. However, M/s. Lehartechologies.com Private Limited has agreed to give the additional funds if required as per the pricing calculated according to Regulation 76 of the SEBI (ICDR) Regulations, 2009 and in compliance with Listing Agreement. As the Company had failed to obtain shareholders prior approval in the General Meeting and further to rectify the allotment done on 7th December, 2010, we seek to obtain your approval for the same. Pursuant to Section 81(1A) of the Companies Act, 1956; the Equity Shares may offered by the Company to such persons in the manner whatsoever, if a special resolution to that effect is passed by the Company in the General Meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and in terms of the provisions of the Listing Agreement to re-issue and allot Equity Shares as stated in the Special Resolution and on following terms as stated herein below:

I. The Object of the re-issue of forfeited shares

It is intended to raise funds for expansion of business, capital expenditure, for Long Term and Short Term Working Capital Requirement of the company, to strengthen the equity base of the Company and to meet expenditure for general corporate purpose.

II. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors/Key Management of the Company are not intended to subscribe to the re- issue of forfeited shares being offered which is proposed under the special resolution of the Notice for shareholders' approval at this meeting.

III. Shareholding pattern before and after the reissue of forfeited shares:

Shareholding pattern before and after the re-issue of 1,22,800 forfeited Equity Shares:

Sr.No.	Shareholder Category Particulars	Shareholding Pattern prior to the re-issue of forfeited Equity Shares		Shareholding Pattern post re-issue of forfeited Equity Shares	
		No. of Shares	%age	No. of Shares	%age
1.	Promoters	2497350	50.92	2497350	49.68
2.	Non- Promoters (Others)	2406650	49.08	2529450	50.32
	Total	4904000	100	5026800	100

IV. The allotment of Equity Shares has already been done on 7th December, 2010.

V. Auditor Certificate

A copy of the certificate of the Auditors of the Company certifying the adherence in SEBI's Regulations for Preferential Issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 by the proposed issue shall be laid before the shareholders at their proposed Annual General Meeting.

VI. Lock-in

The Equity Shares allotted pursuant to reissue of forfeited Equity Shares were already locked in from the date of their allotment i.e. from **7th December, 2010 to 6th December, 2011** for a period of 1 year as prescribed in Regulation 78 of SEBI (ICDR) Regulations, 2009.

For and on behalf of the Board of Directors

Sd/-

(PRAMOD KHANDELWAL)
Managing Director

Date : 22.08.2012

Place : New Delhi

**DIRECTORS' REPORT**

TO THE MEMBERS,

The Directors of your Company have pleasure in presenting their EIGHTEENTH ANNUAL REPORT together with the Audited Statements of Account for the accounting year (15 months period) ended 31st March, 2012.

FINANCIAL HIGHLIGHTS*(Rs. in lacs)*

	For the Accounting Year (15 Months Period) ended 31.03.2012	For the Accounting Year (9 Months Period) ended 31.12.2010
Total Revenue	12144	6996
Operating Profit	587	380
Profit before Tax	261	225
Provision for Taxation	90	76
Profit after Tax	171	149

PERFORMANCE REVIEW

The Company's income from operation during the accounting year (15 months period) ended 31st March, 2012 is Rs. 12144 lacs as against Rs. 6996 lacs in the previous accounting year. The Profit After Tax was Rs. 171 lacs as against Rs. 149 lacs in the previous accounting year.

PERSONNEL

Industrial relations remained cordial throughout the year. There is no employee who is in receipt of remuneration equivalent to or exceeding the amount prescribed u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company Mr. R. C. Khandelwal and Mr. Pramod Khandelwal retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

NO DEFAULT

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

ENERGY CONSERVATION, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE

Particulars in relation to conservation of energy, technology absorption and foreign exchange earning and outgo as required under section 217 (1) (e) of the Companies Act, 1956 are given and form a part of this report.

LISTING AND LISTING AGREEMENT

Shares of the Company are listed with BSE Ltd., Mumbai. The Company has paid the annual listing fee to the Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of section 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that

- (i) in the preparation of the Annual Accounts for the accounting year (15 months period) ended 31st March, 2012 all the applicable accounting standards have been followed along with proper explanation relating to all material departures;
- (ii) accounting policies were adopted and applied consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit and loss of the Company for the accounting year (15 months period) ended on that date;
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities have been taken and
- (iv) the Annual Accounts have been prepared on a 'going concern' basis.

AUDITORS

M/s Vinod Kumar & Associates, Chartered Accountants, Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Company Secretary's Certificate regarding compliance of conditions of Corporate Governance are made as part of Annual Report.

DIVIDEND

Your directors are pleased to recommend a dividend of 10% on the equity capital for the accounting year (15 months period) ended 31.03.2012. If approved, the dividend payout will be Rs. 50.27 lacs, and taxation on proposed dividend will Rs. 8.15 lacs.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation to Banks, Financial Institutions, suppliers and customers constituting the supply chain, employees and the shareholders of the Company for their continued support and co-operation.

For and on behalf of the Board of Directors

Date : 22.08.2012
Place : New Delhi

Sd/-
(PRAMOD KHANDELWAL)
Managing Director

Annexure to the Directors' Report**Disclosure of particulars with respect to conservation of energy :****A. POWER AND FUEL CONSUMPTION**

	For the Accounting Year (15 Months Period) ended 31.03.2012	For the Accounting Year (9 Months Period) ended 31.12.2010
(i) Electricity		
(a) Purchased ('000 Units)	3348.47	2202.74
Total Amount (Rs. in lacs)	203.79	119.97
Rate per unit (Rs.)	6.09	5.45
(b) Own Generation		
(D.G. Set) ('000 Units)	668.34	478.75
Total Amount (Rs. in lacs)	89.71	60.47
Cost per unit (Rs.)	13.42	12.63
(ii) Diesel Oil/C-9 :		
Quantity (Kilo Litres '000)	532.07	614.14
Total Amount (Rs. in lacs)	195.84	186.61
Average Rate (Rs./Litre)	36.81	30.39
(iii) Furnace Oil :		
Quantity (Kilo Litres '000)	-	137.22
Total Amount (Rs. in lacs)	-	34.55
Average Rate (Rs./Litre)	-	25.18

B. Consumption per unit of production

	Production Unit	Current Year	Previous Year
Electricity (KWH)	MT	109.74	126.17

Particulars with respect to conservation of energy :

The following measures have resulted in conservation & efficient utilisation of energy :

Energy Audit was got conducted and accordingly steps were taken for efficient utilisation of energy.

Research and Development and Technology Absorption:

ETP was upgraded to recycle the water to make it usable in further processing.

Foreign Exchange Earning and Outgo NIL



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Company is engaged in the manufacture and sale of Cold Rolled Steel Strips, C.R. Flat Wire/Strips, Galvanised Wire/Strips. These products are used by a wide range of user industries such as Auto Components, Power Transmission Equipment, White Goods, Electrical Equipment, etc.

OPPORTUNITIES AND OUTLOOK

The products of the Company are used predominantly in the Auto Components, White Goods and in Power Transmission (Cables) industries.

1. With the Indian economy growing rapidly, a high priority is being given to infrastructure development, specially highways and internal roads, which will provide the necessary impetus for the growth of the Auto industry.
2. Increasing young middle class population will add to the demand for two-wheelers, cars and white goods.
3. Availability of technically skilled workforce at comparatively lower cost continues to attract global vehicle manufacturers to source the vehicles from India as well as source auto components for car manufacturing plants globally.
4. On the white goods front, the rural penetration of white goods continues to be extremely low in India inspite of a surge in the purchasing power in the rural economy. As power availability to the rural sector improves, the demand for white goods in the rural economy shall drive the demand for the same in the country thereby leading to a demand for the products of the Company.

RISKS, THREATS AND CONCERNS –

Every organization has its own risk management policies to manage the risks and to mitigate the negative impact on the organization. Performance and operating results of any organization may fluctuate due to a number of factors and many of them are beyond the control of the organization. Few of the risks associated with our businesses are :

1. There is considerable volatility in the prices of key raw materials, though the same has lately been less volatile than in the past.
2. Steep increase in fuel prices may have a dampening effect on the rising demand for vehicles.
3. High interest rates make vehicular finance as well as white goods financing more expensive which may result in deferment of demand

The Company has a sound business risk management policy to mitigate the impact of risk and threats. In today's open economy, quality plays an important role in marketing the products and to stay ahead of others. Therefore the Company is laying great emphasis on the quality of its products that meet high standards of quality in the market. The Company has a competent sales team to take proactive actions to determine the customer requirements, high attention to complaint resolution and timely delivery of the product and achieving all-round customer satisfaction.

FINANCIAL PERFORMANCE

	For the accounting year (15 months period) ended on 31.03.2012	For the accounting year (9 months period) ended on 31.12.2010
Revenue from Operation (Net)	12085	6972
Other Income	59	24
Profit before Finance Cost	508	335
Finance Cost	247	110
Profit before Tax	261	225
Tax	90	76
Profit after Tax	171	149

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control system which is commensurate with the nature of its business and the size and complexity of its operations. This internal control system, its adequacy and its effectiveness is periodically reviewed by the Audit Committee. These systems have been designed to ensure optimal utilization of resources, accurate and timely reporting of financial transactions, complying with applicable statute and safeguarding the assets from unauthorised use. The Audit Committee also monitors the implementation of audit recommendations including those relating to strengthening of the company's risk management policies and systems.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**Corporate Governance Report for the accounting year (15 months period) ended 31.03.2012
(as required under Clause 49 of the Listing Agreements entered into with the stock exchanges)****1. Company's Philosophy on Corporate Governance**

Good corporate governance helps to achieve excellence to further enhance stakeholders value by focusing on long-term stakeholder value creation without compromising on integrity and regulatory compliances. Hence it has always been an integral part of your Company's philosophy and not merely arising out of compliance dictated by statutory requirements. It has been the endeavour of the Company's management to accord highest importance to ensure fairness, transparency, accountability and responsibility to shareholders besides voluntarily implementing practices that would give optimum information to shareholders.

2. Board of Directors

The Company has an executive Chairman, a Managing Director and a Whole time Director. The number of independent Directors and Non-Executive Directors (NED) is 50% of the total number of Directors.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies :

Name	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship #	Committee Membership @
EXECUTIVE DIRECTORS					
1 R. C. Khandelwal	Chairman	9	Yes	—	1
2 Pramod Khandelwal	Managing Director	10	Yes	—	1
3 A. P. Khandelwal	Whole Time Director	11	Yes	—	1
INDEPENDENT NON EXECUTIVE DIRECTORS					
4 V. K. Hajela	Director	10	No	1	2
5 S. K. Gupta	Director	5	Yes	—	2
6 K. L. Gupta	Director	8	No	—	2
7 D. P. Khandelwal*	Director	6	No	—	1

* : Resigned since

: Does not include directorships in companies excluded as per Section 278 of the Companies Act, 1956.

@ : In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, Membership / Chairmanship of only the Audit Committee, Shareholders' / Investors' Grievances Committee and the Remuneration Committee of all the Public Limited Companies has been considered.

Number of Board Meeting held and the dates on which held

11 Board Meetings were held during the accounting year (15 months period) ended 31.03.2012. The dates on which the meetings held were as follows : 27.01.2011, 19.04.2011, 14.05.2011, 27.05.2011, 03.06.2011, 24.06.2011, 30.06.2011, 13.07.2011, 11.08.2011, 11.11.2011 and 09.02.2012. The Company has held at least one meeting in every three months and the maximum time gap between any two meetings was not more than four months.

Brief Resume of the Director being reappointed/appointed, nature of his expertise in specific functional areas and names of companies in which he holds directorship and the membership of the committees of the Board are furnished hereunder:

Mr. R. C. Khandelwal, aged 61 years is a Mechanical Engineer (B.E. Mech.) having more than 39 years of industrial experience. During his tenure he has served as key Executive in different institutions / companies. He takes care of production function covering technical aspects of production. He is director in M/s Kochar Agro Industries Private Limited and member of Share Transfer & Shareholders/Investors grievances Committee.

Mr. Pramod Khandelwal, aged 46 years is a rank holder chartered accountant having more than 23 years of industrial experience. He controls and looks after all the financial, commercial and marketing aspect of the Company. He brings with him a rich experience of more than 5 years with Hindustan Unilever Ltd. During his tenure at Hindustan Unilever he held various managerial positions. He is director in M/s Kochar Agro Industries Private Limited and member of Share Transfer & Shareholders/Investors grievances Committee.

**3. Details of Remuneration****(a) Whole-Time Directors**

S. No.	Name	Salary (Rs. in Lacs)
1	A. P. Khandelwal	18.75
2	R. C. Khandelwal	18.75
3	Pramod Khandelwal	37.50

The remuneration is fixed in nature and there is no performance linked incentives and there is no stock option. The notice period is three months and there is no severance fee.

(b) Non Executive Directors

The Company has not paid any remuneration to Non Executive Directors except the sitting fee.

(c) Sitting Fees paid to Non Whole-Time Directors (January 2011 to March 2012)

S. No.	Name	Sitting Fees (Rupees)	
		Board Meeting	Committee Meeting
1	V. K. Hajela	20,000	18,000
2	D. P. Khandelwal	12,000	8,000
3	K. L. Gupta	16,000	12,000
4	S. K. Gupta	10,000	10,000

4. Board Committees**(a) Audit Committee**

Terms of reference : Apart from all the matters provided in clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956, the Committee reviews working of the Internal Audit Department, approves internal audit programme and discusses with statutory auditors, their observation, suggestion and findings, internal control system, scope of audit, other related matters and major accounting policies followed by the Company.

Composition:

S. No.	Name	Designation	No. of Meetings Attended
1	V. K. Hajela	Chairman (Independent)	9
2	D. P. Khandelwal*	Member (Independent)	4
3	K. L. Gupta	Member (Independent)	6
4	S. K. Gupta	Member (Independent)	5

* Resigned since

The Company has constituted an Audit Committee on 31.01.2003 of the Board comprising of 3 Directors. All are independent Directors. The Committee held nine meetings during the accounting year (15 months period) on 27.01.2011, 14.05.2011, 27.05.2011, 03.06.2011, 24.06.2011, 30.06.2011, 11.08.2011, 11.11.2011 and 09.02.2012.

(b) Shareholders Committee

The Board has constituted a Share Transfer & Shareholders / Investors Grievances Committee to approve the Share Transfer, Transmission, Transposition of name, Issue of Split / Duplicate Certificates and to review the status report on redressal of Shareholder and Investor Complaints received by the Company / Share Transfer Agents.

Composition

S. No.	Name	Category
1.	A. P. Khandelwal	Chairman
2.	R. C. Khandelwal	Member
3.	Pramod Khandelwal	Member

**(a) Remuneration Committee****Composition**

S. No.	Name	Category
1.	V. K. Hajela	Chairman (Independent)
2.	K. L. Gupta	Member (Independent)
3.	S. K. Gupta	Member (Independent)

Terms of Reference: The Remuneration Committee has been constituted to recommend/review remuneration of the Chairman, Managing Director and Wholetime Directors, based on their performance and defined assessment criteria.

Remuneration policy, details of remuneration and other terms of appointment of Directors:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

Name & Designation of Compliance Officer : R. A. Sharma, DGM (Finance)

During the accounting year (15 months period) ended on 31st March, 2012, 1 letter/complaint received from the shareholder, were duly replied/resolved. During the 15 months period ended on 31st March, 2012, 26 transfer deeds involving 3900 equity shares were received and duly approved by the Committee and accordingly transferred.

5. General Body Meeting

Year, date, time and venue of the last 3 AGMs are as under:

Year	Date	Time	Venue
2008-09	24.09.2009	10.30AM	Arya Samaj Bhawan, Maharishi Dayanand Marg, Malviya Nagar, New Delhi-17
2009-10	27.09.2010	3.00PM	Robotics Hall, ISKON Complex, Sant Nagar Main Road, East of Kailash, New Delhi - 110065
2010-11	29.07.2011	10.30AM	Hotel Conclave, A-20, Kailash Colony, New Delhi-110048

There was no Extra Ordinary General Meeting held during the last three years.

Special Resolution passed through Postal Ballot

No special resolution was passed through Postal Ballot during the Accounting Year (15 Months Period) ended 31st March, 2012. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

6. Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors, or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large : NIL

Details of Non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years : NIL

7. Means of Communications

Quarterly results are published through news papers namely Financial Express and Jansatta. These results are not sent individually to shareholders. Management Discussion & Analysis Report forms part of the Annual Report.

8. General Shareholders Information**Annual General Meeting**

Annual General Meeting is proposed to be held on Friday on 28th September, 2012 at 11.30 a.m. at Hotel Impress, A-25, Kh. No 393, Mahipalpur, Near N.H. - 8, Vasant Kunj Road, New Delhi - 110037

Financial Calendar (tentative)

Results for the quarter ending June 30, 2012	2nd week of August, 2012
Results for the quarter ending September 30, 2012	2nd week of November, 2012
Results for the quarter ending December 31, 2012	2nd week of February, 2013
Results for the quarter ending March 31, 2013	2nd week of May, 2013
Annual General Meeting	September, 2013

**Date of book closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 25th day of September, 2012 to Friday the 28th day of September, 2012 (both days inclusive).

Dividend

A dividend @ 10% has been proposed.

Listing on Stock Exchange

The equity shares of the Company are listed at - Bombay Stock Exchange Limited and the Stock Code is 531810.

Market Information;

Market Price Data [High / Low during each month in the accounting year (15 months period) ended on 31.03.2012
(In Rupees)]

Month / year	BSE	
	High	Low
January – 2011	16.50	13.60
February – 2011	16.50	15.70
March – 2011	15.75	14.95
April – 2011	15.20	14.30
May – 2011	No Trade	No Trade
June – 2011	14.30	13.60
July – 2011	13.00	12.36
August – 2011	15.00	13.61
September – 2011	15.00	14.26
October – 2011	No Trade	No Trade
November – 2011	16.65	14.97
December – 2011	17.45	15.80
January – 2012	16.50	14.20
February – 2012	14.91	13.50
March – 2012	16.85	14.17

Registrar & Share Transfer Agent : M/s Intime Spectrum Registry Limited,
A-40, IInd Floor, Naraina Industrial Area,
Phase – II, New Delhi - 110028
Phone No. 011-25896893, 41410592-95
Fax No. : 011-41410591

Share Transfer System:

The Board has constituted a Share Transfer Committee to approve inter alia transfer of shares etc. in physical form and to ratify the confirmation made to demat request received by the Company. The entire process including despatch of share certificates to the shareholders are completed within the time stipulated as per the Listing Agreement.

(a) Distribution of Shareholding as on 31st March, 2012

Category	No. of Shareholders	No. of Shares held	Percentage of total shares
1 to 500	665	87302	1.74
501 to 1000	114	98181	1.95
1001 to 2000	53	88793	1.77
2001 to 3000	35	89237	1.78
3001 to 4000	10	37730	0.75
4001 to 5000	13	61018	1.21
5001 to 10000	19	144216	2.87
10001 to 20000	8	127913	2.54
20001 & Above	25	4292410	85.39
TOTAL	942	5026800	100.00

**(b) Categories of Shareholders as on 31st March, 2012**

Category	No. of Equity Shares	% to paid-up Capital
Shareholding of Promoter and Promoter Group	2497350	49.68
Public Shareholding	2529450	50.32
Shares held by Custodians and against which depository receipt have been issued	—	—
TOTAL	5026800	100.00

Dematerialisation of Shares : 24.55% Equity Shares (12,33,895 Equity Shares) have been dematerialised upto 31st March, 2012.

Liquidity : The Company's Shares are traded on BSE Ltd., Mumbai.

Plant Location : 1. Sector – 45, Meola Maharajpur, Faridabad.
2. Plot No. 113, Sector – 59, HSIIDC Indl. Estate , Faridabad.

Address for Correspondence : **Regd. Office:** A-178/12A, Ground Floor, Dayanand Colony, Lajpat Nagar -IV, New Delhi – 110024.

Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance

To

The members of **Metal Coatings (India) Limited**,

We have examined the compliance of conditions of Corporate Governance by Metal Coatings (India) Limited ("MCIL"), for the accounting year (15-months period) ended 31st March 2012, as stipulated in clause 49 of listing agreement of "MCIL" with the stock exchange .

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the company, for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

On the basis of the records maintained by the Shareholder's/Invertors Grievance Committee of the company, we state that, 1 investor grievance were received during the accounting year (15-months period) ended 31st March 2012 which were duly replied/resolved by the management and there were no investor grievances remaining unattended for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For APAC& Associates
Company Secretaries

Date : 22.08.2012
Place : New Delhi

Chetan Gupta
Partner
CP No.: 7077



AUDITORS' REPORT

**TO THE MEMBERS OF
METAL COATINGS (INDIA) LIMITED**

1. We have audited the attached Balance Sheet of **METAL COATINGS (INDIA) LIMITED** ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the accounting year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the accounting year ended on that date and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the accounting year ended on that date.
 - f. On the basis of the written representations received from the directors, as on 31 March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

For **VINOD KUMAR & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 002304N)

Date : 22.08.2012
Place : New Delhi

(VAIBHAV JAIN)
Partner
Membership No. : 515700

**ANNEXURE TO AUDITORS' REPORT****(Referred to in paragraph 3 of our report of even date)**

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the accounting year by the Management at some locations in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the accounting year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii. In respect of its inventory:
 - a. As explained to us, the inventories except goods-in-transit were physically verified during the accounting year by the Management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms and other parties, mentioned in the register maintained under section 301 of the Companies Act, 1956.
 - (a) Since, the company has not granted any loans as referred to in Para 3(a) above, provisions of clause (3) (b) to (3) (d) of the Order are not applicable to the Company.
 - (b) The Company has not taken any loans, secured or unsecured from Companies, firms and other parties, mentioned in the register maintained under section 301 of the Companies Act, 1956.
 - (c) Since, the company has not taken any loans as referred to in Para 3(c) above, provisions of clause (3)(f) and (3)(g) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.
- vi. In our opinion and according to the information and explanations given to us, the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, are not applicable to the company.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2012 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and as per the books & records examined by us, there are no dues of custom duty, wealth tax, and cess that have not been deposited on account of any dispute.

- x. The Company does not have any accumulated losses as at the accounting year end and the Company has not incurred any cash losses during the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions nor has it issued any debentures.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the accounting year for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by way of public issues during the accounting year.
- xxi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the accounting year.

For **VINOD KUMAR & ASSOCIATES**
Chartered Accountants
(Firm Registration No. 002304N)

Date : 22.08.2012
Place : New Delhi

(VAIBHAV JAIN)
Partner
Membership No. : 515700

**BALANCE SHEET AS AT 31ST MARCH, 2012***(Rs. in Lacs)*

Particulars	Note No.	As at 31.03.2012		As at 31.12.2010	
<u>EQUITY AND LIABILITIES</u>					
Shareholders' funds					
(a) Share Capital	1	502.68		502.68	
(b) Reserves and surplus	2	1018.59	1521.27	905.57	1408.25
Non-current liabilities					
Long-term borrowings	3	39.99		16.59	
Deferred tax liabilities (net)	4	62.30		72.81	
Long-term provisions	5	39.99	142.28	28.40	117.80
Current liabilities					
Short-term borrowings	6	1641.86		1433.05	
Trade payables	7	8.12		5.91	
Other current liabilities	8	97.46		89.59	
Short-term provisions	9	102.56	1850.00	28.90	1557.45
TOTAL			3513.55		3083.50
<u>ASSETS</u>					
Non-current assets					
Fixed assets	10	700.46		636.23	
Non-current investments	11	300.00		—	
Long Term Loans & Advances	12	5.62	1006.08	2.12	638.35
Current assets					
Inventories	13	953.66		780.61	
Trade receivables	14	1322.52		1460.26	
Cash and cash equivalents	15	93.15		102.28	
Short-term loans and advances	16	138.14	2507.47	102.00	2445.15
TOTAL			3513.55		3083.50

Significant Accounting Policies and
Notes on Financial Statements

1 to 30

In terms of our annexed report of even date.

For **VINOD KUMAR & ASSOCIATES**

Chartered Accountants

FRN No. 002304N

(VAIBHAV JAIN)

Partner

Membership No. 515700

Date : 22.08.2012

Place : New Delhi

For and on behalf of the Board

(R. C. KHANDELWAL)

Chairman

(PRAMOD KHANDELWAL)

Managing Director



**PROFIT AND LOSS ACCOUNT FOR ACCOUNTING YEAR
(15 MONTHS PERIOD) ENDED 31ST MARCH, 2012**

(Rs. in Lacs)

Particulars	Note No.	For the Accounting Year (15 months period) ended 31.03.2012	For the Accounting Year (9 months period) ended 31.12.2010
INCOME			
Revenue from operations (Gross)	17	13274.38	7657.23
Less : Excise Duty		1189.48	685.14
Revenue from operations (Net)		12084.90	6972.09
Other Income	18	59.40	23.88
Total revenue		12144.30	6995.97
EXPENDITURE			
Cost of materials consumed	19	9900.72	5718.49
Changes in inventories of finished goods & stock-in-process	20	(127.40)	(39.89)
Employee benefits expense	21	313.99	151.27
Finance costs	22	246.86	109.71
Depreciation and amortisation expense	23	79.37	44.60
Other expenses	24	1489.87	786.41
Total expenses		11883.21	6770.59
Profit Before Tax		281.09	225.38
Tax Expenses			
Current Tax		102.00	73.46
Wealth Tax		0.06	—
Tax adjustments relating to previous year		(1.90)	1.34
Deferred Tax		(10.51)	1.41
Profit for the year		171.44	149.17
Earnings per equity share of face value of Rs. 10 each			
Basic and Diluted (in Rs.)	25	3.41	2.99
Significant Accounting Policies and Notes on Financial Statements	1 to 30		

In terms of our annexed report of even date.

For **VINOD KUMAR & ASSOCIATES**

Chartered Accountants

FRN No. 002304N

(**VAIBHAV JAIN**)

Partner

Membership No. 515700

Date : 22.08.2012

Place : New Delhi

For and on behalf of the Board

(**R. C. KHANDELWAL**)

Chairman

(**PRAMOD KHANDELWAL**)

Managing Director

**CASH FLOW STATEMENT FOR THE ACCOUNTING YEAR (15 MONTHS PERIOD) 31ST MARCH, 2012
(CLAUSE 32 OF LISTING AGREEMENT)***(Rs. in Lacs)*

Particulars	For the Accounting Year (15 months period) ended 31.03.2012	For the Accounting Year (9 months period) ended 31.12.2010
A. Cash flow from Operating Activities :		
Net Profit before taxes and Extraordinary Items	261.09	225.38
Adjustment for		
Depreciation	79.37	44.60
Interest paid	235.48	105.54
Operating profit before working capital changes	575.94	375.52
(Increase)/Decrease in Sundry Debtors	137.74	45.34
(Increase)/Decrease in Inventories	(173.04)	(231.54)
(Increase)/Decrease in Loans & Advances	(39.63)	265.94
Increase/(Decrease) in Current Liabilities	(10.73)	19.91
Increase/(Decrease) in Short & Long term provisions	26.83	7.58
Cash generated from operations	517.11	482.75
Interest paid	(232.03)	(105.54)
Extraordinary Items:		
Tax and Interest on tax paid for earlier year	1.90	(1.34)
Tax Paid	(102.06)	(73.46)
Net cash from operating activities	184.92	302.41
B. Cash flow from investing activities		
Additions to fixed assets (including capital work in progress and advances on capital account)	(157.49)	(9.63)
Proceeds from sales of Fixed Assets	13.89	1.73
Proceeds from sales of Investment	—	—
Purchase of investments	(300.00)	—
Net cash from Investing Activities	(443.60)	(7.90)
C. Cash flow from Financing Activities		
Proceeds from new borrowings	263.02	(293.44)
Repayment of interest on car Loan	(3.45)	—
Proceeds from re-issue of shares	—	18.38
Repayment of borrowing	(10.00)	—
Net cash from Financing Activities	249.57	(275.06)
Net cash flows during the year (A+B+C)	(9.11)	19.45
Cash and cash equivalents (Opening balance)	102.27	82.83
Cash and cash equivalents (Closing balance)	93.16	102.28

Notes to cash flow statement:

- 1 Figures in brackets indicate cash out flows.
- 2 Interest paid relates to the charge of the year and is considered part of operating activities.
- 3 Bank borrowings have been grouped as part of financing activities.
- 4 Figures have been rounded off to the nearest of Rupee Lacs.

For and on behalf of the Board

Date : 22.08.2012
Place : New Delhi**(PRAMOD KHANDELWAL)**
Managing Director



Significant Accounting Policies and Notes to Accounts

Corporate Information

Metal Coatings (India) Limited (the 'Company') was incorporated in India as a limited company under the Companies Act, 1956 on 12 December, 1994, commenced its operations on 9 February, 1995. The Company is engaged in the manufacture and sale of C.R Strips, HB/HHB Wire and Galvanised Wires/Strips.

Significant Accounting Policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

c. Depreciation/amortisation

Depreciation on fixed assets is provided on the straight line method at the rates which are based on economic useful lives of these assets and as are prescribed under Schedule XIV of the Companies Act, 1956. Assets costing less than Rs. 5,000 individually are fully depreciated in the year of purchase.

d. Revenue recognition

Revenue is recognized when the significant risk and rewards of ownership of the goods have been passed to the buyers for a consideration. Sale of goods is exclusive of Value Added Tax and inclusive of Excise duty.

e. Income taxes

Income tax comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one year and are capable of reversal, subject to consideration of prudence, in one or more subsequent years. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

f. Employee Benefits

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

b. Long term employee benefits

• Provident fund and other state plans

Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the profit and loss account during the year in which the employee renders the related service.

• Gratuity

The Company provides for gratuity, a defined benefit retirement plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.



- **Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilized accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

g. Earnings per share

The Company reports basic earnings per equity share in accordance with AS-20, Earnings per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

h. Contingencies/ Provisions

Provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

i. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is recognized if it is other than temporary.

j. Foreign Exchange Transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate ruling on that date. Exchange differences on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss account. Any gain/loss on exchange fluctuation on the date of payment of expenditure incurred for acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

k. Lease hold improvements

The company has taken a piece of land on lease at Meola Maharajpur. The company had constructed a building on the said land as a factory . The amount spent by the company on the construction has been appropriately included under the head lease hold improvement in Fixed Assets schedule.

For and on behalf of the Board
METAL COATINGS (INDIA) LIMITED

(PRAMOD KHANDELWAL)
Managing Director

Date : 22.08.2012
Place : New Delhi

**Notes on Financial Statements for the Accounting Year (15 Months Period) ended 31st March, 2012****1. SHARE CAPITAL** (Rs. in lacs)

	As at 31.03.2012	As at 31.12.2010
Authorised Capital		
60,00,000 (Previous Year 60,00,000) Equity Shares of Rs. 10/- each.	600.00	600.00
Issued , Subscribed & Paid up Capital		
50,26,800 (Previous Year 50,26,800) Equity Shares of Rs. 10/- each.	502.68	502.68

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

	As at 31.03.2012		As at 31.12.2010	
	No. of Shares	% of holding	No. of Shares	% of holding
a Khandelwal Galva Strips (P) Ltd.	914200	18.19	914200	18.19
b Lehartechologies.com (P) Ltd.	501752	9.98	501752	9.98
c Bondwell Financial Services (P) Ltd.	441100	8.77	441100	8.77
d Pramod Khandelwal	418100	8.32	418100	8.32
e R. C. Khandelwal	391300	7.78	391300	7.78
	2666452	53.04	2666452	53.04

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

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5026800	5026800
Add : Shares issued	—	—
Less : Shares bought back	—	—
Equity Shares at the end of the year	5026800	5026800

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 i.e 10% by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2. RESERVE & SURPLUS (Rs. in lacs)

	As at 31.03.2012	As at 31.12.2010
Profit & Loss Account		
As per last Balance Sheet	867.17	718.00
Add: Profit for the year	171.44	149.17
Less : Proposed Dividend	50.27	—
Dividend distribution tax	8.15	—
	980.19	867.17
General Reserve		
As per last Balance Sheet	26.16	26.16
Add: Addition during the year	—	26.16
	26.16	26.16
Share Premium		
As per last Balance Sheet	6.10	—
Add: Addition during the year	—	6.10
	6.10	6.10
Capital Reserve		
As per last Balance Sheet	6.14	6.14
Add: Addition during the year	—	—
	6.14	6.14
Total	1018.59	905.57

**3. LONG TERM BORROWINGS**

(Rs. in lacs)

	As at		As at	
	31.03.2012		31.12.2010	
3.1 Secured				
Car Loan-from Banks	39.99	39.99	6.59	6.59
(Secured against hypothecation of Motor Vehicels purchased out of such loan) Loan of Rs. 71.61 lacs (Canara Bank-7.73 lacs and iCICI Bank-63.88 lacs) repayable in 60, 30 installments respectively. Current outstanding balance amounting to Rs. 61.94 lacs out of which installments payable with in next one year is Rs. 21.95 lacs classified as current liability carrying interest rate of 10.30% p.a. in case of ICICI Bank and 12%p.a. in case of Canara Bank				
3.2 Unsecured				
Loan from Directors	—	—	10.00	10.00
		39.99		16.59
4. DEFERRED TAX LIABILITY (NET)				
Opening as per last Balance Sheet	72.81		71.40	
Addition during the year	—		1.41	
Reduction during the year	10.51		—	
Closing Balance as at Balance Sheet date (Deferred Tax has been recognised on account of timing differences due to depreciation, provision for Gratuity and Leave Encashment.)		62.30		72.81
5. LONG TERM PROVISIONS				
Gratuity	27.89		23.34	
Earn Leave	12.10	39.99	5.06	28.40
6. SHORT TERM BORROWINGS				
Secured				
Working Capital Limit from Bank (Secured against hypothecation of book debts, inventories and by way of mortgage of land, buildings and Plant & Machinery)		1641.86		1433.05
7. TRADE PAYABLES				
Micro, Small and Medium Enterprises Payable with in operating Cycle	—	8.12	—	5.91
8. OTHER CURRENT LIABILITIES				
Current maturity of long term debts*	21.95		1.14	
Interest accrued but not due on borrowings	0.24		—	
Unclaimed Dividend	4.20		4.20	
Payable in respect of statutory dues	10.12		5.27	
Advance received from customers	25.99		15.18	
Salary Payable	10.53		8.62	
Other Payables	24.43	97.46	55.18	89.59

* : This amount relates to instalment of secured term loan payable with in next twelve months.
This is secured against hypothecation of Motor Vehicels purchased out of such loan.


9. SHORT TERM PROVISIONS

(Rs. in lacs)

		As at 31.03.2012		As at 31.12.2010
Gratuity		19.20		—
Earn Leave		9.03		—
Provision for wealth tax		0.06		—
Proposed Dividend on equity shares		50.27		—
Dividend distribution tax		8.15		—
Provision for income tax (Net of Advance tax and TDS)		15.85	102.58	28.90
				28.90

10. FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.01.2011	Additions	Sold/ Discarded	Total as on 31.03.2012	As on 01.01.2011	For the period ended 31.03.2012	Dep. on discarded assets	Total as on 31.03.2012	As at 31.03.2012	As at 31.12.2010
Land	81.87	—	—	81.87	—	—	—	—	81.87	81.87
Buildings	358.65	—	—	358.65	87.76	14.90	—	102.66	255.99	270.89
Leasehold Improvements	15.50	—	—	15.50	4.12	0.65	—	4.77	10.73	11.38
Plant & Machinery	953.85	74.30	33.96	994.19	719.02	52.01	31.12	739.91	254.28	234.83
Motor Vehicles	74.08	82.35	23.60	132.83	41.48	10.70	12.55	39.63	93.20	32.60
Furniture, Fixtures	1.48	—	—	1.48	1.08	0.12	—	1.20	0.28	0.40
Office Equipment	5.02	0.23	—	5.25	2.44	0.38	—	2.82	2.43	2.58
Computers	2.84	0.61	—	3.45	1.16	0.61	—	1.77	1.68	1.68
Total	1493.29	157.49	57.56	1593.22	857.06	79.37	43.67	892.76	700.46	636.23
Previous year	1488.00	9.63	4.34	1493.29	815.07	44.60	2.61	857.06	636.23	672.93

11. NON-CURRENT INVESTMENT

(Rs. in lacs)

	As at 31.03.2012	As at 31.12.2010
In Equity Shares of Associate Company (Unquoted, fully paid up) 1,50,000 Share of Kochar Agro Industries (Pvt.) Ltd. of Rs.10 each at a premium of Rs. 190/Share	300.00	—

12. LONG TERM LOANS & ADVANCES

Security Deposits	5.62	2.12
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13. INVENTORIES

Raw Materials	532.25	488.82
Stores & Spares	11.53	9.30
Stock in Process	343.26	226.39
Scrap Material	9.38	2.91
Finished Goods	57.24	53.19
	953.66	780.61

14. TRADE RECEIVABLES

(Unsecured and considered good)				
Over six months from the due date	40.66		9.90	
Others	1281.86	1322.52	1450.36	1460.26

**15. CASH AND CASH EQUIVALENTS**

(Rs. in lacs)

	As at 31.03.2012		As at 31.12.2010	
Cash in hand	2.56		6.15	
Balance with Banks	0.44		12.40	
Other Bank Balances				
– Unpaid Dividend (current account)	4.20		4.20	
– Fixed Deposits*	85.95	93.15	79.53	102.28

* : Pledged with bank against CC limits and margin money.

16. SHORT TERM LOANS AND ADVANCES

(Unsecured and considered good)

Balance with Central Excise Authorities	52.46		28.54	
Advance to Employees	8.76		2.90	
Prepaid Expenses	1.19		0.27	
Others	75.73	138.14	70.29	102.00

17. REVENUE FROM OPERATIONS

(Rs. in lacs)

	For the accounting year (15 Months Period) ended 31.03.2012		For the accounting year (9 Months Period) ended 31.12.2010	
Sale of Products	12673.87		7400.22	
Other operating revenues	600.51	13274.38	257.01	7657.23

18. OTHER INCOME

Rent	30.00		18.00	
Dividend from Long Term Investment	7.50		—	
Other non-operating income	21.90	59.40	5.88	23.88

19. COST OF MATERIALS CONSUMED

H. R. Coils	9238.74		5054.93	
Others	661.98	9900.72	663.56	5718.49

20. CHANGE IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS**Inventories (Closing)**

Finished Goods	66.62		56.09	
Stock-in-process	343.26	409.88	226.39	282.48

Inventories (Opening)

Finished Goods	56.09		76.52	
Stock-in-process	226.39	282.48	166.07	242.59
(Increase) / Decrease in Inventory		(127.40)		(39.89)

21. EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	285.74		136.40	
Contribution to Provident and other funds	16.56		9.98	
Staff welfare expenses	11.69	313.99	4.89	151.27

(Employee benefit includes expenditure on account of provision of gratuity & Earned Leave of the Directors of the Company amounting to Rs. 27.93 lacs and 2.17 lacs respectively since inception of the Company)


a) Reconciliation of opening and closing balance of defined benefit obligation

	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Obligation at beginning of year	24.58	17.82	4.22	–
Current service cost	3.21	1.96	1.70	0.38
Interest cost	2.15	1.46	0.37	–
Actuarial (gain) / loss	17.14	3.80	14.84	4.36
Benefits paid	–	(0.46)	–	(0.52)
Obligation at year end	47.08	24.58	21.13	4.22

b) Experience Adjustment

	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Experience Adjustment (Gain) / loss for Plan liabilities	27.71	–	15.47	–
Experience Adjustment (Gain) / loss for Plan assets	–	–	–	–

c) Actuarial assumptions

Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	8.75%	8.25%	8.75%	8.25%
Salary growth rate	8.25%	8.25%	8.25%	8.25%

22. FINANCE COST

(Rs. in lacs)

	For the accounting year (15 Months Period) ended 31.03.2012	For the accounting year (9 Months Period) ended 31.12.2010
Interest	235.48	105.54
Bank Charges	11.18	4.17
	246.66	109.71

23. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation	79.37	44.60
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24. OTHER EXPENSES
Manufacturing expenses

Stores & Spares	274.42	142.95
Power & Fuel	668.94	341.13
Job Work Charges	130.64	49.83
Repair to Machinery	192.65	116.00
Repair to Building	10.53	6.94
	1277.18	656.85

Selling and Distribution Expenses

Distribution Expenses	43.61	27.51
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Administrative & Miscellaneous Expenses

Professional Fee	10.63	1.21
Rent	3.14	0.98
Insurance	1.31	1.05
Rates & Taxes	6.08	1.98
Travelling, Vehicle Running & Maintenance Expenses	20.47	11.16
Payment to Auditors	4.80	2.00
Loss on Sale/Discarded of Fixed Assets	5.52	1.50
Bad Debts written off	70.32	68.49
Miscellaneous Expenses	26.81	13.68
	149.08	102.05

TOTAL
1469.87
786.41



(Rs. in lacs)

	For the accounting year (15 Months Period) ended 31.03.2012	For the accounting year (9 Months Period) ended 31.12.2010
24.1 PAYMENT TO AUDITORS (EXCLUSIVE OF SERVICE TAX) AS :		
Audit Fees (Includes audit fees of quarterly review)	3.30	1.15
Tax Audit Fees	1.50	0.20
Out of pocket Expenses	—	0.65
TOTAL	4.80	2.00

25. EARNING PER SHARE (EPS)

i) Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs)	171.44	149.17
ii) No. of Shares used as denominator for calculating EPS	5026800	5026800
iii) Basic and Diluted Earning per share (Rs)	3.41	2.99
iv) Face Value per equity share (Rs.)	10.00	10.00

26. Foreign Exchange Earning and Expenditure

Export of goods manufactured	—	6.45
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27. As per information available with the company, none of its creditors comprises micro, small and medium enterprises as defined under MSMED Act, 2006 which comprise amounts outstanding for more than 45 days as at Balance Sheet date. Based on the information available with the company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is Rs. NIL (Previous year Rs. NIL) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

28. Related Party Disclosure

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

There are no other related parties where control exist that needs to be disclosed.

(Rs. in Lacs)

Name of related Party	Description of relationship with the party	Nature of transactions	Value of transaction for the accounting year ended 31.03.2012	Outstanding as on 31.03.2012	Payable (P) Receivable (R)	Written off During accounting Year ended 31.03.2012
Mr. Vinay Khandelwal	Son of Mr. A. P. Khandelwal, Director	Rent	0.45 (0.27)	1.80 (0.63)	P (P)	Nil (Nil)
M/s Kochar Agro Industries Pvt. Ltd.	Associate Company	Sales	1103.69 (552.77)	— (215.56)	— (R)	Nil (Nil)
		Job Work	62.08 (0.69)	— (—)	— (—)	Nil (Nil)
		Rent	30.00 (18.00)	— (2.01)	— (R)	Nil (Nil)
		Dividend	7.50 (—)	— (—)	— (—)	Nil (—)
		Investment	300.00 (—)	300.00 (—)	— (—)	Nil (—)
M/s SWD Industries	Associate Firm in which Directors are partners	Sales	15.18 (8.41)	3.02 (0.03)	R (R)	Nil (Nil)
Mr. R. C. Khandelwal	Chairman	Remuneration	18.75 (11.25)	— (0.89)	— (P)	Nil (Nil)
		Employees Long Term Benefits	10.63	10.63	P	Nil
		Other Liability	— (10.00)	— (10.00)	— (P)	Nil (Nil)



Name of related Party	Description of relationship with the party	Nature of transactions	Value of transaction for the accounting year ended 31.03.2012	Outstanding as on 31.03.2012	Payable (P) Receivable (R)	Written off During accounting Year ended 31.03.2012
Mr. Pramod Khandelwal	Managing Director	Remuneration	37.50 (22.50)	— (—)	— (—)	Nil (Nil)
		Employees Long Term Benefits	10.46	10.46	P	Nil
		Other Liability	—	—	—	Nil
			(21.00)	(—)	(—)	(Nil)
Mr. A. P. Khandelwal	Director	Remuneration	18.75 (11.25)	— (0.96)	— (P)	Nil (Nil)
		Employees Long Term Benefits	8.99	8.99	P	Nil
		Other Liability	—	—	—	Nil
			(10.00)	(—)	(—)	(Nil)
Mr. D. P. Khandelwal	Director	Sitting Fee	0.20 (0.18)	0.16 (0.26)	P (P)	Nil (Nil)
Mr. V. K. Hajela	Director	Sitting Fee	0.38 (0.14)	— (—)	— (—)	Nil (Nil)
Mr. K. L. Gupta	Director	Sitting Fee	0.28 (0.10)	0.26 (0.10)	P (P)	Nil (Nil)
Mr. S. K. Gupta	Director	Sitting Fee	0.20	0.20	P	Nil

Figures in brackets represents the previous year figures.

29. CONTINGENT LIABILITIES AND COMMITMENTS :

The HSIIDC has increased the price of land by Rs. 20.76 lacs and demanded the enhanced price. This demand is being disputed and the matter is pending with Hon'ble High Court for the state of Punjab & Haryana. The Company has however, paid Rs. 5.25 lacs. Also, there might be resultant liability in the nature of interest.

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



METAL COATINGS (INDIA) LIMITED

Regd. Office : A-178/12A, Ground Floor, Dayanand Colony,
Lajpat Nagar-IV, New Delhi - 110024.

ATTENDANCE SLIP

DP. Id*.....

Client Id*.....

1. Full Name of Shareholder / Proxy.....

2. Registered Folio No.

3. If Proxy, Full name of Shareholder

I hereby record my presence at the 18th Annual General Meeting of the Company held on 28th day of September, 2012 at 11.30 a.m. at Hotel Impress, A-25, Kh. No 393, Mahipalpur, Near N.H. – 8, Vasant Kunj Road, New Delhi - 110037.

.....
Signature of Shareholder/Proxy

*Applicable for investors holding Shares in electronic form.

Important : This attendance slip may be handed over at the entrance of the Meeting Hall.



METAL COATINGS (INDIA) LIMITED

Regd. Office : A-178/12A, Ground Floor, Dayanand Colony,
Lajpat Nagar-IV, New Delhi - 110024.

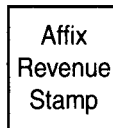
PROXY FORM

DP. Id*.....

Client Id*.....

I/We.....
of..... in the
District.....being a member of Metal Coatings (India) Limited hereby
appoint.....of..... (or failing him/
her.....of..... as my proxy to vote for me
and on my behalf at the 18th Annual General Meeting of the Company to be held on 28th September, 2012 at 11.30 a.m. and
at any adjournment thereof.

Signature.....



Ledger Folio No :

*Applicable for investors holding Shares in electronic form.

Note : The proxy must be deposited at the Registered Office of the Company at A-178/12A, Ground Floor, Dayanand Colony, Lajpat Nagar-IV, New Delhi - 110024, not less than Forty Eight hours before the time for holding the meeting.



If undelivered, please return to:

METAL COATINGS (INDIA) LIMITED

**A-178/12A, Ground Floor, Dayanand Colony,
Lajpat Nagar-IV, New Delhi - 110024.**