



METAL COATINGS (INDIA) LTD.

Works II : 113, HSIIDC Indl. Estate, Sector - 59, Faridabad - 121 004
Phones : 09999972371, Fax : 0129-2307422



Date: 6th October, 2018

To,
The Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers
1st Floor, Dalal Street
Mumbai- 400 001

Dear Sir/Madam,

Sub.: Submission of Annual Report for the Financial Year 2017-18
Ref.: Scrip Code – 531810; Scrip Id – METALCO

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year ended 31st March, 2018 which has been duly approved and adopted in the 24th Annual General Meeting of shareholders of the Company held on Wednesday, 19th September, 2018 at the Hotel – The Legend INN, E – 4, East of Kailash, New Delhi - 110 065 at 10:30 A.M. (IST).

This is for your information and record.

Thanking you.

Yours faithfully,
For Metal Coatings (India) Limited

Preeti Khatore
Preeti Khatore
(Company Secretary cum Compliance Officer)

Encl.: as above

METAL COATINGS (INDIA) LIMITED



**24th
Annual Report
2017-2018**



CORPORATE INFORMATION

Board of Directors

Mr. Ramesh Chander Khandelwal
Chairman & Whole-time Director

Mr. Pramod Khandelwal
Managing Director

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

Mr. Satish Kumar Gupta
Independent Director

Ms. Neha Gupta
Independent Director

Chief Financial Officer

Mr. Ram Awtar Sharma

Company Secretary & Compliance Officer

Ms. Preeti Khatore

Statutory Auditors

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

Cost Auditor

Mr. Ramawatar Sunar
Cost Accountant
F-18/37, Ground Floor
Sector – 8, Rohini
New Delhi - 110085

Registrar and Share Transfer Agent

M/s Link Intime India Private Ltd.,
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I
Near PVR Cinema, New Delhi -110 028
Phone No: 011-41410592-93-94
Fax No. 011-41410591
E-mail:delhi@linkintime.co.in

Registered Office

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

Works

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

Bankers

- (i) Canara Bank
- (ii) The Hongkong and Shanghai Banking
Corporation Ltd.,
- (iii) Yes Bank Limited

Website

www.mcil.net

E-mail Id for Investors

preeti@mcilindia.net

24th ANNUAL GENERAL MEETING

Day : Wednesday
Date : 19th September, 2018
Time : 10:30 a.m. (IST)
Venue : Hotel-The Legend INN
E-4, East of Kailash,
New Delhi - 110 065

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DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to present its **24th (Twenty Fourth) Annual Report** together with the Audited Financial Statements of your Company, for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The summarized Financial Performance of your Company for the financial year ended 31st March, 2018 is summarized as follows:

(Rs. in lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Total Turnover (Gross)	11354.63	10911.37
Operating Profit	428.42	496.91
Depreciation	69.68	73.21
Finance Cost	46.01	128.14
Provision for Tax and Adjustment	113.44	100.40
Profit for the year	199.29	195.16

PERFORMANCE REVIEW AND STATE OF AFFAIRS OF THE COMPANY

The revenue from operations of the company for the year ended 31st March, 2018 increased to Rs.11,354.63 lacs as compared to Rs. 10,911.37 lacs in the previous year. The Profit Before Tax stood at Rs. 312.73 lacs as against Rs. 295.56 lacs in the previous year. According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [hereinafter referred to as "SEBI (LODR) Regulations, 2015"] revenue for the year ended 31st March, 2017 was reported inclusive of excise duty. Goods and Services Tax ("GST") has been implemented with effect from 1st July, 2017 which replaces Excise Duty and other input taxes. As per Ind AS 18, the revenue for the year ended 31st March, 2018 is reported net of GST. In view of this accounting impact while the reported Revenue from Operation grew by 4% during the year, comparable Revenue from Operation grew by more than 12% during the year. Due to the volatility in the price of raw material, the bottom line was under pressure. However, your Company has registered a moderate growth around 6% in Profit before Tax.

ADOPTION OF INDIAN ACCOUNTING STANDARDS

In accordance with the notification issued by the Ministry of Corporate Affairs and as per SEBI Circular your Company has adopted the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified under the Section 133 of the Companies Act, 2013 (hereinafter referred to as 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 w.e.f. 1stApril, 2017 for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year has been restated to conform to the provisions of Ind AS.

DIVIDEND

The Board of Directors of your company at its meeting held on 30th May, 2018 has recommended a dividend of Re. 1 (Rupee One Only) per Equity share of face value Rs. 10/- (Rupees Ten) each for the year ended 31st March, 2018 to the Members of the Company. The Dividend payment is subject to the approval of the Members at the ensuing 24th Annual General Meeting (hereinafter referred to as "AGM") of the Company scheduled to be held on 19th September, 2018 and will be paid within a period of 30 (Thirty) days from the date of declaration of Dividend, to those Members whose name appears in the Register of Members of the Company as on close of the business hours on 12th September, 2018. The Dividend Payout will be Rs. 88.48 lacs including Dividend Distribution Tax of Rs. 15.21 lacs.

TRANSFER TO RESERVES

No amount has been proposed to be carried to any Reserves. Entire amount of Rs. 172 lacs is proposed to be retained in the Surplus.

MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report during the year under review.

**CHANGE IN THE NATURE OF BUSINESS**

During the year, there was no change in the nature of business of the Company.

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

Your Company's Board is duly constituted which is in compliance with the requirements of the Act, the SEBI (LODR) Regulations, 2015 and provisions of the Articles of Association of the Company.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Ramesh Chander Khandelwal (DIN:00124085), Whole-time Director of the Company being liable to retire by rotation, shall retire at the ensuing AGM and being eligible, offers himself for re-appointment.

As already reported last year, the Board of Directors of your company at its meeting held on 15th May, 2017, based on the recommendation of Nomination & Remuneration Committee has appointed Ms. Preeti Khatore as Company Secretary & Compliance Officer of the Company in place of Ms. Rupali Aggarwal who resigned from the post of Company Secretary & Compliance Officer from the close of business hours of 15th April, 2017.

The Board of Directors of your company at its meeting held on 13th August, 2018, based on the recommendation of Nomination & Remuneration Committee, has approved the re-appointment of Mr. Ramesh Chander Khandelwal (DIN: 00124085) as Whole-time Director of the Company and Mr. Pramod Khandelwal (DIN: 00124082) as Managing Director of the Company in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule - V of the Act (including any statutory modification or re-enactment thereof) and subject to approval of the members and such other authorities as may be required, for a period of 3 (three) years with effect from 1st October, 2018 to 30th September, 2021 and approved the terms and conditions of his re-appointment and payment of remuneration.

The Board of Directors of your Company at its meeting held on 13th August, 2018, based on the recommendation of Nomination & Remuneration Committee, has approved the re-appointment of Mr. Satish Kumar Gupta (DIN:03558083) and Ms. Neha Gupta (DIN:06948920) as Independent Directors of the Company in accordance with the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with Schedule - IV of the Act (including any statutory modification or re-enactment thereof) and subject to approval of the members for a second term of 5 (five) consecutive years. The appointment of Mr. Satish Kumar Gupta shall be effective from 1st April, 2019 to 31st March, 2024 and of Ms. Neha Gupta from 13th August, 2019 to 12th August, 2024.

Your Company has received declarations from both the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the SEBI (LODR) Regulations, 2015.

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

Cessation

The Board with deep regret noted about the sad demise of Late Mr. Ayodhya Prasad Khandelwal on 14th January, 2018, who has served the Company as a Whole-time Director. The Board expresses their deep condolences and record the valuable guidance and support rendered by Late Mr. Ayodhya Prasad Khandelwal.

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

Key Managerial Personnel

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

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

**Statement of Declaration given by Independent Directors**

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

BOARD EVALUATION

The evaluation process focused on various aspects of Board and its Committees such as composition and structure, functioning, effectiveness of Board processes, information and functioning, etc.

The evaluation of all the Directors and the Board as a whole was conducted by the Board and found to be satisfactory. The flow of information between the Company management and the Board is adequate, qualitative and timely. As required under the provisions of the Act, a meeting of all Independent Directors was convened and held during the year.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting including the performance of the Board, its Committees and individual directors.

DETAILS OF MEETINGS OF BOARD OF DIRECTORS HELD DURING THE YEAR

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

6 (Six) Meetings of the Board were held during the financial year 2017-18, viz. 15th May, 2017; 30th May, 2017; 17th August, 2017; 13th September, 2017; 14th December, 2017 and 14th February, 2018. The Company has held at least one meeting in every three months and the maximum time gap between two meetings was not more than four months and the necessary quorum were present at all the meetings.

The attendance of each Director at the meetings of Board of Directors held during the financial year 2017 - 18 are as follows:

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

*Demise on 14th January, 2018

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- (d) we have prepared the annual accounts on a going concern basis;
- (e) we have laid down internal financial controls for the Company and these internal financial controls were adequate and operating effectively;
- (f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public and as such no amount of principal or interest remained unpaid or unclaimed at the end of the year i.e. as on 31st March, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan or guarantee and has not made any investment covered under the provisions of Section 186 of the Act in the securities of any other Bodies Corporate during the financial year ended 31st March, 2018.

NO DEFAULT

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

RELATED PARTY TRANSACTIONS

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

During the year there were no material significant related party transactions made by the Company with Promoters, Directors or KMP which may have potential conflict with the interest of the Company at large. All transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee of the Company for its approval. The details of the related party transactions are set out in Note 37 to the Financial Statements of the Company. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website viz., www.mcil.net.

None of the Directors or the KMP have any pecuniary relationships or transactions vis-à-vis the company. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. Vinod Kumar & Associates, Chartered Accountants, (Firm registration No. 002304N) were appointed as the Statutory Auditors at the 22nd (Twenty Second) AGM of your Company for a second term of 5 (five) consecutive years which is valid till 27th (Twenty Seventh) AGM of the Company. They have confirmed their eligibility for the Financial Year 2018-19 under Section 141 of the Companies Act, 2013 and the Rules framed thereunder. The report of the Statutory Auditors on Financial Statements for the year under review forms part of the Annual Report and there are no auditors' qualifications in the audit report for the financial year ended 31st March, 2018.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the requirement to place the matter relating to appointment of Statutory Auditors for ratification by members at every AGM has been removed. Accordingly, ratification of appointment of Auditors is not required.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board of Directors of your Company has as per the requirement under Section 204 of the Act and rules made there under, re-appointed M/s. CPA & Co., Company Secretaries (Firm Registration No. P2013HR039800), to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2017-18 forms integral part of this Report as '**Annexure – A**'. There is no secretarial audit qualification for the year under review.

**COST AUDITORS & COST RECORDS**

The Board of Directors of your Company has, on the basis of provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time and as per the recommendations provided by the Audit Committee, re-appointed Mr. Ramawatar Sunar, Cost Accountant (Firm registration No. 100691) as Cost Auditor of your Company for conducting the Audit of Cost records of the Company for the financial year 2018-19. Your Company has received written consent from Mr. Ramawatar Sunar, Cost Accountant to the effect that his appointment, if made, will be in accordance with the applicable provisions of the Act and rules framed there under.

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

As per Section 148(1) of the Act, the cost records as specified by the Central Government are being made and maintained by your Company. Your Company has filed the Cost Audit Report for the financial year 2016-17 with the Registrar of Companies, Ministry of Corporate Affairs in the XBRL mode during the year under review.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

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

BOARD COMMITTEES

As on 31st March, 2018, the Board has 3(Three) committees as per the provisions of the Act read with rules, made thereunder, with proper composition of its members. The Board periodically evaluates the performance of all the Committees as a whole. All observations, recommendations and decisions of the Committees are placed before the Board for consideration and approval.

(a) Audit Committee

The Board of Directors of your company has duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee comprises of Mr. Satish Kumar Gupta (Non-Executive Independent Director), the Chairman of the Committee, Mr. Virendra Kumar Hajela (Non-Executive Independent Director) and Ms. Neha Gupta (Non-Executive Independent Director) as Members of the Committee as on 31st March, 2018.

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

5 (Five) Audit Committee Meetings were held during the financial year 2017-18. The dates on which the meetings were held are 30th May, 2017; 17th August, 2017; 13th September, 2017; 14th December, 2017 and 14th February, 2018.

The attendance of each Member at the Audit Committee Meetings held during the financial year 2017-18 is as follows:

Sl. No.	Name	Designation	No. of Meetings attended
1.	Mr. Satish Kumar Gupta	Chairman	5
2.	Mr. Virendra Kumar Hajela #	Member	4
3.	Ms. Neha Gupta	Member	2

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

(b) Nomination and Remuneration Committee

The Committee comprises of Mr. Virendra Kumar Hajela (Non-Executive Independent Director), Chairman of the Committee, Mr. Satish Kumar Gupta (Non-Executive Independent Director), and Ms. Neha Gupta (Non-Executive Independent Director), as members of the Committee as on 31st March, 2018.

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



2 (Two) meetings of Nomination and Remuneration Committee were held during the year 2017-18. The dates on which the meetings were held are 15th May, 2017 and 14th February, 2018. The attendance of each Member at the Nomination and Remuneration Committee Meetings held during the financial year 2017-18 are as follows:

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

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

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Satish Kumar Gupta, Chairman, Mr. Pramod Khandelwal and Mr. Ramesh Chander Khandelwal as members of the Committee. The Committee, inter-alia, reviews issue of duplicate certificates and oversees and reviews all matters connected with the Company's transfers of securities. It looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and such other functions as may be specifically delegated to the Committee by the Board from time to time. There being no investor grievances complaint pending, the committee reviewed the existing procedures for attending to complaints as and when they arise.

4 (Four) Stakeholders' Relationship Committee Meetings were held during the financial year 2017-18. The dates on which the meetings were held are 30th May, 2017; 17th August, 2017; 14th December, 2017 and 14th February, 2018.

The attendance of each Member at the Stakeholders' Relationship Committee Meetings held during the financial year 2017-18 is as follows:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed as 'Annexure -B' and forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY

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

EXTRACT OF ANNUAL RETURN

According to the provisions of Section 134(3) and 92(3) of the Act, read with Rule 12 of Companies (Management and Administration) Rules 2014 as amended upto date, the Extract of Annual Return of the Company as on the financial year ended 31st March, 2018 in Form MGT-9 may be accessed on the website of the Company viz., www.mcil.net.

BOARD POLICIES

(a) Policy of Appointment & Re-appointment

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

(b) Vigil Mechanism/Whistle Blower Policy

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

**(c) Risk Management Policy**

The Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. The Risk Management policy may be accessed on the website of the Company viz., www.mcil.net.

MANAGERIAL REMUNERATION

The information required pursuant to Section 197(12) of the Act read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors are furnished hereunder:

Sl. No.	Name	Designation	% Increase/Decrease of remuneration in 2017-18 as compared to 2016-17 #	Ratio of Remuneration to MRE#
1	Mr. Pramod Khandelwal	Managing Director	23.68	81.72
2	Mr. Ramesh Chander Khandelwal	Chairman and Whole-time director	24.50	81.72
3	Mr. Ayodhya Prasad Khandelwal \$	Whole-time director	44.17	18.15
4	Mr. Ram Awtar Sharma	Chief Financial Officer	3.52	8.19
5	Ms. Rupali Aggarwal *	Company Secretary	--	3.43
6	Ms. Preeti Khatore *	Company Secretary	--	2.78

MRE : Median Remuneration of Employees

: Based on annualised Salary

\$: Mr. A. P. Khandelwal, whole-time director of the Company demise on 14th January, 2018. His remuneration includes retirement benefits.

*: Ms. Rupali Aggarwal resigned from the post of Company Secretary w.e.f. 15th April, 2017 and Ms. Preeti Khatore was appointed as Company Secretary w.e.f. 15th May, 2017.

1. The percentage increase in Median remuneration of employees for the year 2017-18 is 8.58%.
2. The number of permanent employee on the rolls of the Company as of 31st March, 2018 is 84.
3. The average percentage increase in salary of the Company's employees excluding the KMP was 5.32% and including KMP was 23.46%. This was based on the recommendation of Nomination and Remuneration Committee to revise the remuneration as per the Remuneration Policy of the Company.
4. Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's website viz. www.mcil.net
5. It is affirmed that the remuneration is as per the remuneration policy of the company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company calibrates its business processes and operations framework to continuously improve efficiencies. These include automated internal business workflow and controls. Your Company's Internal Control System is robust and commensurate with the nature of its business and the size and complexity of its operations and ensure that all assets are safeguarded and protected against unauthorized use and that all transactions are authorized, recorded and correctly reported. The internal risks are identified which in turn are allocated to respective designated owners to manage and control the risks. Assets are adequately insured to mitigate risks against unforeseen events.

**CORPORATE GOVERNANCE**

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

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on Bombay Stock Exchange Limited. The Annual Listing fees for the financial year 2018-19 has been duly paid to the said Stock Exchange.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

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

Your Company has a zero tolerance for any abuse against Women at Workplace. As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

**Place: New Delhi
Date : 13th August, 2018**

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

**FORM NO. MR - 3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
METAL COATINGS (INDIA) LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **METAL COATINGS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **METAL COATINGS (INDIA) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 and has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **METAL COATINGS (INDIA) LIMITED** ("the Company") for the financial year ended on 31st March, 2018, to the extent applicable to the company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not applicable to the company during the audit period)
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the audit period)**
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period)**
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period)** and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the audit period)**



- (vi) Other Laws as applicable to the Industry: **No specific Laws are applicable to the Company other than the general laws as per the information and explanations provided to us.**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate affairs.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that during the Audit Period:

- Cessation of executive director, Mr. Ayodhya Prasad Khandelwal (DIN: 00725775), due to death on 14th January, 2018.
- During the period, the Charges created on the company were modified the details of which are reproduced below:-

S.No	Charge ID	Bank Name	Date of Creation	Date of Modification	Amount (in Rs.)
1	100096777	Yes Bank Limited	21/02/2017	06/04/2017	1,00,000,000
2	10553001	The Hongkong and Shanghai Banking Corporation Limited	27/02/2015	10/07/2017	1,25,000,000

The charge created by Yes Bank Limited (Charge ID: 100096777) was satisfied on 09th May, 2018.

- The company has paid remuneration to its Managerial persons as per Schedule V of the Companies Act, 2013 duly approved by the Board of Directors and the Members of the company. The Board of Directors, with the approval of members vide their meeting dated 21st September, 2016, had increased the remuneration of Mr. Ramesh Chander Khandelwal (DIN:00124085) and Mr. Pramod Khandelwal (DIN:00124082) vide Board resolution dated 14th February, 2018 the details of which are mentioned hereunder :

NAME	BASIC	PERQUISITES/ CONVEYANCE ALLOWANCES	HRA	TOTAL
RAMESH CHANDER KHANDELWAL	6,25,000/- PM	1,40,000/- PM	1,40,000/- PM	9,05,000/- PM
PRAMOD KHANDELWAL	6,25,000/- PM	1,40,000/- PM	1,40,000/- PM	9,05,000/- PM

- During the period under review, the promoter, Khandelwal Galva Strips Private Limited (CIN: U74899DL1990PTC040641) had increased its shareholding in the Company from 14,14,200 equity shares (19.30%) to 17,45,499 equity shares (23.82%), details of which are given below:



S.No.	Date	No. of shares purchased	%age increase
1	25 July, 2017	50,000	0.68%
2	28 July, 2017	49,700	0.68%
3	03 August, 2017	48,500	0.66%
4	08 August, 2017	98,099	1.34%
5	14 March, 2018	85,000	1.16%
	Total	3,31,299	4.52%

6. The Audit Committee and the Board of Directors have approved all the Related Party Transaction. In view of the Board all the transactions with Related Parties are in ordinary course of business and are at Arm's Length basis.

**For CPA & Co.
Company Secretary in Practice**

**Akshay Saxena
Partner
ACS. 52388
C.P.No.: 19766**

**Date: 30th May, 2018
Place: Gurugram**

**Annexure - B**

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

A. POWER AND FUEL CONSUMPTION

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Electricity		
(a) Purchased ('000 Units)	2,123.49	2,278.84
Total Amount (Rs. in lakhs)	176.26	203.32
Rate per unit (Rs.)	8.30	8.92
(a) Own generation		
(D. G. Set) ('000 Units)	182.80	243.28
Total Amount (Rs. in lakhs)	35.01	41.40
Cost per unit (Rs.)	19.15	17.02
(ii) Diesel Oil		
Quantity (Kilo Litres '000)	93.00	114.54
Total Amount (Rs. in lakhs)	54.53	61.03
Average Rate (Rs./Litre)	58.63	53.28
(iii) PNG		
Quantity (SCM'000)	599.70	540.39
Total Amount (Rs. in lakhs)	203.56	161.56
Average Rate (Rs./Litre)	33.94	29.90

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Production Unit	Current Year	Previous Year
Electricity (KWH)	MT	108.55	113.87

C. CONSERVATION OF ENERGY

The Company continued its efforts to improve energy efficiency and consumption. The Company has replaced conventional lighting systems with LED systems in administrative office for reduction of energy consumption.

D. TECHNOLOGY ABSORPTION

In its quest to continuously improve manufacturing process, the Company has developed material ideally suited for the manufacture of high quality carbon metal cutting Bandsaw. This will lead to explore new customers in the segment.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There are no foreign exchange earnings and outgo.

For and on behalf of the Board of Directors

Place: New Delhi
Date : 13th August, 2018

Sd/-
Ramesh Chander Khandelwal
Chairman
DIN: 00124085

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE**

The Company is engaged in the manufacture and sale of Cold Rolled Steel Strips and HRPO steel strips/coils. The company is thus operating in the steel sector. Products of the Company are used by a wide range of user industries such as Auto Components, Consumer Durables, Electrical Equipment amongst others.

OPPORTUNITIES AND OUTLOOK

The year 2018-19 has started on a favourable note on the growth front and the year holds promise for the industry. In the next couple of years the global economic situation is expected to remain favourable with high confidence and strengthening recovery of investment levels in advanced economies. Benefitting from this, steel demand in both developed and developing economies is expected to show sustained growth momentum and is expected to reach at 1616 mt in 2018 showing an increase of 1.80% over 2017. The World Economic Outlook recently brought out by IMF has predicted a reasonably good growth in global GDP and expected to generate substantial steel demand in varying proportions in different countries including India. IMF has projected a growth for India at 7.30% for 2018-19 and 7.50% for 2019-20. The Indian economy is stabilising from the impact of currency reform and GST implementation and steel demand is expected to accelerate gradually, mainly driven by public investment, Infrastructure, oil and gas and automotives. Steel production in India is forecast to double by 2031, with growth rate expected to go above 10 per cent in FY18. Ministry of Steel plans to set up Steel Research and Technology Mission in India to promote R&D activities in the sector. Further National Steel Policy (NSP) has been implemented to encourage the industry to reach global benchmarks.

RISKS, THREATS AND CONCERNS

Possible adverse impact from rising trade tensions and the probable US and EU interest rate movements could erode positive current momentum in steel industry. The expected increase in demand of steel in 2019 is expected to be lower than 2018 due to further deceleration in China and weakened investment momentum due to higher interest rates. The US policy to improve the productivity of its manufacturing sector for job consideration and creating earning opportunities, may restrict imports from China. The inability of the Chinese domestic market to grow to use the surplus may prompt China to enhance steel exports and this action may create volatility in the prices of steel. In India too there is likelihood of over capacity and over supply in the steel industry which is likely to get aggravated by steel imports. The impact of actions of the successful bidders for NCLT referred cases of Essar Steel, Bhushan Steel, Electrosteel Steels and Monnet Ispat will further add the uncertainties in the steel industry.

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

Particulars	For the year ended on 31.03.2018	For the year ended on 31.03.2017
Revenue from Operation	11354.63	10911.37
Other Income	34.14	62.06
Profit before Finance Cost	358.74	423.70
Finance Cost	46.01	128.14
Profit before Tax	312.73	295.56
Tax	113.44	100.40
Profit after Tax	199.29	195.16

HUMAN RESOURCES

People management is the backbone of your Company and it is regarded as one of the important resources for the success of Company. The Company strongly believes that the employees' welfare, development and their performance are important contributors to the Company. The Whistle Blower Policy plays an important role as a watchdog. The Company's total permanent employee strength as on 31st March, 2018 stood at 84.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

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

CAUTIONARY STATEMENT

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

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

METAL COATINGS (INDIA) LIMITED**1. REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of **METAL COATINGS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position (state of affairs), financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- I. As required by Section 143(3) of the Act, we report, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”; and
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer note no. 38 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- II. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

**Date : 30th May, 2018
Place : New Delhi, India**

**ANNEXURE “A”****TO THE INDEPENDENT AUDITORS’ REPORT ON THE IND AS FINANCIAL STATEMENTS OF METAL COATINGS (INDIA) LIMITED**

(Referred to in paragraph I(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **METAL COATINGS (INDIA) LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Date : 30th May, 2018
Place : New Delhi, India**

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

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

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

We report that:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on physical verification as confirmed by the management. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- II. The Company has been regular in following the procedures of physical verification of inventories which is reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion and on the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory and no material discrepancies were observed on physical verification done by the management.

- III. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships and other parties, mentioned in the register maintained under section 189 of the Companies Act, 2013. Since, the company has not granted any loans, provisions of clause (iii)(a) to (iii)(c) of the Order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made, securities and guarantees given.
- V. The Company has not accepted any deposit from the public. Thus, paragraph 3(v) of the Order is not applicable.
- VI. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the central government under section 148 of the act in respect of the products of "the company" covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, duty of excise, service tax, Goods and Service Tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, Goods and Service Tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations and records of the company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, Goods and Service Tax, custom duty, excise duty, value added tax and cess which have not been deposited by the company on account of any dispute are as follow:



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

- VIII. The Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they are raised.
- X. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Vinod Kumar & Associates
Chartered Accountants
FRN - 002304N

Date: 30th May, 2018
Place: New Delhi, India

Sd/-
Mukesh Dadhich
Partner
M. No. 511741

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Rs. in lacs)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	635.03	712.43	776.88
Intangible Assets	3	-	0.54	1.06
Financial Assets				
- Investments	4	-	-	300.00
Other non-current assets	5	10.66	45.07	45.19
Total Non-current assets		645.69	758.04	1123.13
Current assets				
Inventories	6	764.90	820.35	925.41
Financial Assets				
- Trade receivables	7	2423.13	2262.31	1984.72
- Cash and cash equivalents	8	7.09	14.79	10.50
- Other bank balances	9	40.71	31.74	322.78
- Loans	10	4.03	5.43	6.78
Other current assets	11	30.97	59.00	95.27
Total Current assets		3270.83	3193.62	3345.46
Total Assets		3916.52	3951.66	4468.59
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	12	732.68	732.68	732.68
Other Equity	13	1753.99	1670.48	1499.83
Total Equity		2486.67	2403.16	2232.51
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
- Borrowings	14	-	0.63	6.02
Provisions	15	126.89	119.96	91.81
Deferred tax liabilities (net)	16	17.23	40.17	55.71
Total Non-current liabilities		144.12	160.76	153.54
Current liabilities				
Financial Liabilities				
- Borrowings	17	961.99	1058.61	1727.35
- Trade payables	18	4.48	52.28	54.72
- Other financial liabilities	19	102.42	97.38	134.85
Other current liabilities	20	92.23	83.85	83.59
Provisions	21	124.61	95.62	82.03
Total current liabilities		1285.73	1387.74	2082.54
Total Equity and Liabilities		3916.52	3951.66	4468.59
Significant Accounting Policies	1			
See accompanying notes to the financial statements	2 to 40			

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

For and on behalf of the Board

(MUKESH DADHICH)

Partner

Membership No. 511741

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

Pramod Khandelwal

Managing Director

DIN : 00124082

Date : 30.05.2018

Place : New Delhi

Preeti Khatore

Company Secretary

PAN : ARSPV4953A

R. A. Sharma

CFO

PAN : AMTPS3388J

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rs. in lacs)

PARTICULARS	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
INCOME			
Revenue From Operations	22	11354.63	10911.37
Other income	23	34.14	62.06
Total Income		11388.77	10973.43
EXPENSES			
Cost of materials consumed	24	8979.74	7964.94
Changes in inventories of finished goods, and work in progress	25	94.32	(102.02)
Excise duty		307.30	1119.65
Employee benefits expense	26	535.27	467.37
Finance costs	27	46.01	128.14
Depreciation and amortisation expense		69.68	73.21
Other expenses	28	1043.72	1026.58
Total expenses		11076.04	10677.87
Profit/ (loss) before tax		312.73	295.56
Tax expense			
a) Current tax	29	122.89	103.98
b) Deferred tax	16	(9.45)	(3.58)
Profit for the year		199.29	195.16
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	26.2	(40.79)	(36.16)
(ii) Income tax relating to items that will not be reclassified to profit or loss		13.49	11.95
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the year		171.99	170.95
Earnings per equity share of face value of Rs. 10 each			
a) Basic (Rs.)	30	2.72	2.66
b) Diluted (Rs.)	30	2.72	2.66
Significant Accounting Policies	1		
See accompanying notes to the financial statements	2 to 40		

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

For and on behalf of the Board

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R. A. Sharma
CFO
PAN : AMTPS3388J

Date : 30.05.2018

Place : New Delhi

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018****A. EQUITY SHARE CAPITAL**

(Rs. in lacs)

Balance at the beginning of the reporting period i.e. 01st April, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
732.68	--	732.68	--	732.68

B. OTHER EQUITY

(Rs. in lacs)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
AS ON 31ST MARCH, 2017					
Balance at the beginning of the reporting period i.e. 1st April, 2016	6.14	135.59	26.16	1331.94	1499.83
Total Comprehensive Income for the year				170.95	170.95
Dividends					
Tax on dividend				(0.30)	(0.30)
Transfer to / (from) retained earnings					
Balance at the end of the reporting period i.e. 31st March, 2017	6.14	135.59	26.16	1502.59	1670.48
AS ON 31ST MARCH, 2018					
Balance at the beginning of the reporting period i.e. 1st April, 2017	6.14	135.59	26.16	1502.59	1670.48
Total Comprehensive Income for the year				171.99	171.99
Dividends				(73.27)	(73.27)
Tax on dividend				(15.21)	(15.21)
Transfer to / (from) retained earnings					
Balance at the end of the reporting period i.e. 31st March, 2018	6.14	135.59	26.16	1586.10	1753.99

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

(MUKESH DADHICH)

Partner

Membership No. 511741

For and on behalf of the Board

R. C. Khandelwal

Chairman & Whole-time Director

DIN : 00124085

Pramod Khandelwal

Managing Director

DIN : 00124082

Preeti Khatore

Company Secretary

PAN : ARSPV4953A

R. A. Sharma

CFO

PAN : AMTPS3388J

Date : 30.05.2018

Place : New Delhi

**CASH FLOW STATEMENT FOR THE ACCOUNTING YEAR ENDED 31ST MARCH, 2018**

(Rs. in lacs)

Particulars	For the period ended 31.03.2018	For the period ended 31.03.2017
A. Cash flow from Operating Activities :		
Net Profit before tax as per statement of Profit and Loss	312.73	295.56
Adjustment for		
(Profit)/Loss on sale / Discard of Assets-Net	1.26	(0.75)
Depreciation / Amortisation Expense	69.68	73.21
Finance Cost	46.01	128.14
Operating profit before working capital changes	429.68	496.16
(Increase)/Decrease in Sundry Debtors	(160.82)	(277.59)
(Increase)/Decrease in Inventories	55.45	105.06
(Increase)/Decrease in other Current Assets	20.45	328.65
Increase/(Decrease) in Current Liabilities	(29.61)	(34.89)
Effect of Other Comprehensive Income	(40.79)	(36.16)
Increase/(Decrease) in Short & Long term provisions	35.91	41.74
Cash generated from operations	310.27	622.97
Interest paid	(45.71)	(127.00)
Tax Paid	(122.89)	(103.98)
Net cash from operating activities	141.67	391.99
B. Cash flow from investing activities		
Additions in tangible and intangible assets (Including capital work in progress and advances on capital account)	33.78	(11.75)
Proceeds from disposable of tangible and intangible Assets	7.64	4.38
Proceeds from sales of Investment	--	300.00
Net cash from Investing Activities	41.42	292.63
C. Cash flow from Financing Activities		
Proceeds from new borrowings	-	-
Dividend Paid (Including Dividend Distribution Tax)	(88.48)	(0.30)
Repayment of interest on car Loan	(0.30)	(1.14)
Proceeds from preferential issue of shares	--	--
Repayment of borrowing	(102.01)	(678.89)
Net cash from Financing Activities	(190.79)	(680.33)
Net cash flows during the year (A+B+C)	(7.70)	4.29
Cash and cash equivalents (Opening balance)	14.79	10.50
Cash and cash equivalents (Closing balance)	7.09	14.79

Notes to cash flow statement:

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

In terms of our annexed report of even date

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

For and on behalf of the Board

(MUKESH DADHICH)Partner
Membership No. 511741**R. C. Khandelwal**
Chairman & Whole -time Director
DIN : 00124085**Pramod Khandelwal**
Managing Director
DIN : 00124082Date : 30.05.2018
Place : New Delhi**Preeti Khatore**
Company Secretary
PAN : ARSPV4953A**R. A. Sharma**
CFO
PAN : AMTPS3388J

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

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

B - SIGNIFICANT ACCOUNTING POLICIES**(a) FIRST TIME ADOPTION OF IND AS**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April 2017 with comparatives being restated. In accordance with the Ind AS 101 First time adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of shareholders' equity as at March 31st, 2017 and April 1st, 2016 and of the comprehensive net income for the year ended March 31st, 2017.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules 2015 read with section 133 of the Companies Act, 2013

Exemptions available under Ind AS 101:

The Companies has elected to continue with the carrying value of all of its Property, Plant & Equipments as recognized in the financial statements as at the date of transition of Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition.

(b) BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for certain financial assets & liabilities and defined benefit plans which have been measured at fair value amount.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements. Company's financial statements are presented in Indian Rupees, which is also its functional currency.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost, net of trade discount, rebates and recoverable taxes less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Gains or losses arising from de-recognition of fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all of its property, plant and equipment at the transition date and use that carrying value as the deemed cost of the property, plant and equipment.

**(d) Lease hold improvements**

The company has taken a piece of land on lease at Meola Maharajpur. The company had constructed a building on the said land as a factory. Leasehold improvements are carried at historical cost. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on leasehold improvements are provided using straight line method based on management estimate of useful life of the assets.

Gains or losses arising from de-recognition of leasehold improvements are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Intangible assets are amortized using straight line method based on management estimate of useful life of the assets.

(f) Cash and cash equivalents

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

(g) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(h) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of scrap, which is valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, stores and spares, packing materials, trading and other products are determined on weighted average basis.

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

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Others assets are tested for impairment whenever events or changes in circumstances indicate that



the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Contingencies /Provisions

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

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

(k) Employee Benefits Expense

Short Term Employee Benefits obligation

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include compensated absences and performance incentives

Other long-term Employee Benefit obligations

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

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

(l) Tax Expenses

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

- Current tax

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

**- Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign Exchange Transaction and translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(n) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from operations includes sale of goods, services, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts. Interest income from a financial asset is recognised using effective interest rate method. Revenue from dividend is recognised when the Company's right to receive the payment has been established.

(o) Financial Instruments**Financial Assets**

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

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

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

**Financial liabilities****- Initial recognition and measurement**

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

- Subsequent measurement

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

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

(p) Earning per Share

Basic earning per share – This is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share – Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

C - RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company does not expect the impact of the adoption of the new standard to be material on its financial statements on an ongoing basis.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not expect any impact of the adoption of the amended standard on its financial statements.


2. PROPERTY, PLANT & EQUIPMENT

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK							
	As at 01.04.2016	Impact of IND AS Transition	Adjustment/ Additions/ (Deductions)	Total as on 01.04.2017	Additions	Sold/ Discarded	Total as on 31.03.2018	Adjustment/ Additions/ (Deductions)	Total as on 01.04.2017	For the period ended 31.03.2018	Depreciation on discarded assets	Total as on 31.03.2018	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016	
Tangible Assets																
Own Assets																
Land	85.17	-	85.17	85.17	-	-	85.17	-	-	-	-	85.17	85.17	-	85.17	
Buildings	432.65	-	3.09	435.74	-	-	435.74	11.30	162.88	11.31	1.23	172.96	262.78	272.86	281.07	
Plant & Machinery	1093.38	-	(44.16)	1049.22	-	24.81	1024.41	(7.15)	775.54	37.78	18.72	794.60	229.81	273.68	310.89	
Motor Vehicles	172.77	-	(7.20)	165.57	-	9.37	156.20	-	12.99	18.58	6.88	108.51	47.69	68.76	88.95	
Furniture, Fixtures	2.98	-	-	2.98	-	0.64	2.34	-	0.14	0.14	-	2.01	0.33	1.11	1.25	
Office Equipment	6.17	-	2.05	8.22	-	-	8.22	0.45	5.83	0.58	0.61	5.80	2.42	2.39	0.79	
Computers	4.84	-	0.25	5.09	0.63	1.28	4.44	0.31	4.33	0.31	1.23	3.41	1.03	0.76	0.82	
Sub Total	1797.96	-	(45.97)	1751.99	0.63	36.10	1716.52	-	1047.26	68.70	28.67	1087.29	629.23	704.73	768.74	
Leased Assets																
Leasehold Improvements	15.50	-	-	15.50	-	1.47	14.03	0.44	7.80	0.43	0.00	8.23	5.80	7.70	8.14	
Total	1813.46	0.00	(45.97)	1767.49	0.63	37.57	1730.55	0.00	1055.06	69.13	28.67	1095.52	635.03	712.43	776.88	

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

3. INTANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK							
	As at 01.04.2016	Impact of IND AS Transition	Adjustment/ Additions/ (Deductions)	Total as on 01.04.2017	Additions	Sold/ Discarded	Total as on 31.03.2018	Adjustment/ Additions/ (Deductions)	Total as on 01.04.2017	For the period ended 31.03.2018	Depreciation on discarded assets	Total as on 31.03.2018	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016	
Intangible Assets																
Software	1.65	-	-	1.65	-	1.65	-	0.52	1.11	0.54	1.65	-	-	0.54	1.06	
Total	1.65	-	-	1.65	-	1.65	-	0.52	1.11	0.54	1.65	-	-	0.54	1.06	



(Rs. in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
4 NON-CURRENT INVESTMENT			
Unquoted			
Investment in Equity Instruments at FVTPL	-	-	300.00
In 1,50,000 Equity Shares, fully paid up of Khandelwal Busar Industries Private Ltd. [Formerly known as Kochar Agro Industries (Pvt.) Ltd.] of face value Rs.10 each at a premium of Rs. 190/Share			
5 OTHER NON-CURRENT ASSETS			
(Unsecured and considered good)			
Security Deposit	10.66	10.86	10.91
Advance Tax net of provision	-	34.21	34.28
Total	10.66	45.07	45.19
6 INVENTORIES			
Raw Materials	429.19	389.21	599.75
Work in Process	255.02	263.89	240.34
Finished Goods	65.06	160.19	79.31
Stores & Spares	3.21	4.32	0.86
Scrap Material	12.42	2.74	5.15
Total	764.90	820.35	925.41
Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of scrap, which is valued at net realisable value.			
Carrying amount of inventories are hypothecated as security for borrowings			
7 TRADE RECEIVABLES			
(Unsecured and considered good)	2423.13	2262.31	1984.72
Carrying amount of Trade Receivables are pledged as security for borrowings			
8 CASH AND CASH EQUIVALENTS			
- Cash in hand	2.69	4.32	8.88
- Balances with Bank	4.40	10.47	1.62
Total	7.09	14.79	10.50
9 OTHER BANK BALANCES			
- Earmarked balances with Bank	40.71	31.74	45.45
- Fixed Deposits pledged with Bank	-	-	277.33
Total	40.71	31.74	322.78
10 LOANS			
(Unsecured and considered good)			
Advance to Employees	4.03	5.43	6.78
11 OTHER CURRENT ASSETS			
- Balance with Government Authorities	1.78	19.18	77.30
- Prepaid Expenses	2.80	4.13	6.65
- Advance to Suppliers	26.39	34.33	11.32
- Others	-	1.36	-
Total	30.97	59.00	95.27
12 EQUITY SHARE CAPITAL			
Authorised Capital			
80,00,000 (Previous Year 80,00,000) Equity Shares of Rs. 10/- each.	800.00	800.00	800.00
Issued , Subscribed & Paid up Capital			
73,26,800 (Previous Year 73,26,800) Equity Shares of Rs. 10/- each.	732.68	732.68	732.68

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

(Rs. in lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Khandelwal Galva Strips Pvt. Ltd.	1,745,499	23.82	1,414,200	19.30	1,414,200	19.30
Pramod Khandelwal	1,213,390	16.56	1,213,390	16.56	1,213,390	16.56
Ramesh Chander Khandelwal	1,043,858	14.25	1,043,858	14.25	1,043,858	14.25
Lehartechnologies.Com Pvt. Ltd.	501,752	6.85	501,752	6.85	501,752	6.85
Bondwell Financial Services (P) Ltd.	441,100	6.02	441,100	6.02	441,100	6.02
	4,945,599	67.50	4,614,300	62.98	4,614,300	62.98

The reconciliation of the number of shares outstanding is set out below	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Equity Shares at the beginning of the year	7326800	7326800	7326800
Add : Shares issued	-	-	-
Less : Shares bought back	-	-	-
Equity Shares at the end of the year	7326800	7326800	7326800

Rights, preference and restrictions attached to shares

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

13 OTHER EQUITY**Capital Reserve**

As per last Balance Sheet	6.14	6.14	6.14
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Security Premium

As per last Balance Sheet	135.59	135.59	135.59
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General Reserve

As per last Balance Sheet	26.16	26.16	26.16
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Retained Earnings

Balance at the beginning of the year	1502.59	1331.94	1268.78
Add: Profit for the year	199.29	195.16	178.46
Add : Other Comprehensive Income	(27.30)	(24.21)	(27.11)
Less : Appropriations			
Less : Payment of Dividend	73.27	-	73.27
Less : Dividend distribution tax *	15.21	0.30	14.92
Total	1586.10	1502.59	1331.94

Total	1753.99	1670.48	1499.83
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* : Dividend distribution tax as at 31.03.2017 pertains to interim dividend paid in FY 2015-16.

14 BORROWINGS

Car Loan	-	0.63	6.02
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15 PROVISIONS - NON CURRENT

Provision for employee benefits	126.89	119.96	91.81
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Total	126.89	119.96	91.81
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16 DEFERRED TAX LIABILITIES (NET)

At the start of the year	40.17	55.71	70.29
Charge / (Credit) to statement of Profit & Loss	(9.45)	(3.58)	(1.19)
Charge / (Credit) to Other Comprehensive Income	(13.49)	(11.95)	(13.39)
At the end of the year	17.23	40.17	55.71



(Rs. in lakhs)

Component of deferred tax liabilities / (Assets)	As at 31.03.2017	Charge/(Credit) to Total Comprehensive Income	As at 31.03.2018
Deferred tax liabilities / (Assets) in relation to Property, Plant and Equipment	101.90	(6.05)	95.85
Provisions	(61.73)	(16.89)	(78.62)
	40.17	(22.94)	17.23

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
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17 BORROWINGS - CURRENT			
Secured - At amortised cost	961.99	1,058.61	1607.35
Working Capital Limit from Bank			
(Secured against hypothecation of trade receivables, inventories and by way of mortgage of land, buildings and Plant & Machinery. This is also secured by personal guarantee of whole time directors and Managing Director.			

Unsecured - at amortised cost

From Related Party	-	-	120.00
Total	961.99	1058.61	1727.35

18 TRADE PAYABLES			
Micro, Small and Medium Enterprises (Refer Note No. 31)	-	-	-
Others	4.48	52.28	54.72
Total	4.48	52.28	54.72

19 OTHER FINANCIAL LIABILITIES			
Current maturity of long term debts *	0.62	5.39	12.86
Unclaimed Dividend**	40.71	31.74	45.45
Employee Benefits Payable	32.79	31.65	39.31
Other Payables	28.30	28.60	37.23
Total	102.42	97.38	134.85

* : This is secured against hypothecation of motor vehicles purchased out of such loans.

** : Investor Education and Protection Fund will be credited as and when due

20 OTHER CURRENT LIABILITIES			
Payable in respect of statutory dues	48.38	35.95	27.47
Advance received from Customers	43.85	47.90	56.12
Total	92.23	83.85	83.59

21 PROVISIONS - CURRENT			
Provision for Employee Benefits	110.89	66.74	56.74
Provision for Tax (Net of Advance Tax)	13.72	28.88	25.29
Total	124.61	95.62	82.03

(Rs. in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
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22 REVENUE FROM OPERATIONS		
Sale of Products	11021.78	10690.95
Other operating revenues	332.85	220.42
Total	11354.63	10911.37

23 OTHER INCOME		
Rent	24.00	24.00
Dividend Received	-	15.00
Interest Income	0.61	18.11
Other non-operating income	9.53	4.95
Total	34.14	62.06

24 COST OF MATERIALS CONSUMED		
H. R. Coils	8979.74	7964.94



(Rs. in lakhs)

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
25 CHANGE IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS				
Inventories (Closing)				
Work in Progress	255.02		263.89	
Finished Goods	65.06		160.19	
Scrap Material	12.42		2.74	
Total	332.50		426.82	
Inventories (Opening)				
Work in Progress	263.89		240.34	
Finished Goods	160.19		79.31	
Scrap Material	2.74		5.15	
Total	426.82		324.80	
(Increase) / Decrease in Inventory	94.32		(102.02)	
26 EMPLOYEE BENEFITS EXPENSES				
Salaries and Wages	496.06		433.22	
Contribution to Provident and other funds	32.33		27.50	
Staff welfare expenses	6.88		6.65	
	535.27		467.37	
26.1 Reconciliation of opening and closing balance of defined benefit obligation	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Obligation at beginning of year	167.09	19.61	124.62	23.93
Current service cost	10.68	1.59	10.00	1.60
Interest cost	12.95	1.52	9.35	1.80
Actuarial (gain) / loss	33.59	7.20	29.22	6.94
Benefits paid	(14.91)	(1.54)	(6.10)	(14.66)
Obligation at year end	209.40	28.38	167.09	19.61
26.2 Experience recognised during the year				
In Income Statement				
Current Service Cost	10.68	1.59	10.00	1.60
Interest Cost	12.95	1.52	9.35	1.80
Return on Plan Assets	-	-	--	--
Net Cost	23.63	3.11	19.35	3.40
In Other Comprehensive Income				
Actuarial (Gain) / Loss	33.59	7.20	29.22	6.94
Return on Plan Assets	-	-	--	--
Net (Income) / Expense for the period recognised in OCI	33.59	7.20	29.22	6.94
26.3 Actuarial assumptions				
Discount rate (per annum)	7.75%	7.75%	7.50%	7.50%
Salary growth rate (per annum)	5.00%	5.00%	7.50%	7.50%
Withdrawal rate (per annum)				
- for 18 to 30 Years	5.00%	5.00%	2.00%	2.00%
- for 30 to 44 Years	3.00%	3.00%	2.00%	2.00%
- for 44 to 58 Years	2.00%	2.00%	2.00%	2.00%
Mortality	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate	IALM-2006-08 Ultimate
27 FINANCE COST				
Interest		46.01		128.14
Total		46.01		128.14



(Rs. in lakhs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
28 OTHER EXPENSES		
Manufacturing expenses		
Stores & Spares	195.62	173.76
Power & Fuel	434.35	425.91
Job Work Charges	119.38	113.07
Repair to Machinery	129.51	136.46
Repair to Building	3.36	4.19
	882.22	853.39
Selling and Distribution Expenses		
Distribution Expenses	77.87	64.69
Administrative & Miscellaneous Expenses		
Bad Debts written off	19.20	0.59
bank Charges	0.86	12.13
Insurance	2.87	3.10
Payment to Auditors	6.71	5.71
Professional Fee	11.04	5.44
Rates & Taxes	6.65	6.88
Rent	0.36	0.36
Travelling, Vehicle Running & Maintenance Expenses	11.93	13.48
Miscellaneous Expenses	24.01	60.81
TOTAL	83.63	108.50
Grand Total	1043.72	1026.58
PAYMENT TO AUDITORS (EXCLUSIVE OF GST AND SERVICE TAX) AS :		
Audit Fees (Includes audit fees of quarterly review)	5.55	4.55
Tax Audit Fees	0.95	0.95
Fees for Certification Work & others	0.21	0.21
TOTAL	6.71	5.71
29 TAXATION		
Income tax recognised in Statement of Profit and Loss		
a) Current tax	122.89	103.98
b) Deferred tax	(9.45)	(3.58)
Total income tax expenses recognised in the current year	113.44	100.40
Provision for current tax for the year includes tax adjustment related to earlier years amounting to Rs. - 1.56 lacs (previous year Rs. 3.58 lacs)		
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	312.73	295.56
Applicable Tax Rate	33.063%	33.063%
Computed Tax Expense	103.40	97.72
Tax effect of :		
Exempted income		
Expenses disallowed	21.05	14.63
Adjustment of Tax on other Comprehensive Income		(11.96)
Total	124.45	100.40
Tax adjustment related to earlier years	(1.56)	3.58
Current Tax Provision - A	122.89	103.98
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(6.05)	(2.92)
Incremental Deferred Tax Asset on account of Financial Assets and Other Items	(16.89)	(12.61)
Deferred tax Provision (B)	(22.94)	(15.53)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	99.95	88.45
Effective Tax Rate	0.32	0.30



(Rs. in lakhs)

Particulars	For the	For the
	year ended	year ended
	31.03.2018	31.03.2017
30 EARNING PER SHARE (EPS)		
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in lacs)	199.29	195.16
No. of Shares used as denominator for calculating EPS	7326800	7326800
Basic and Diluted Earning per share (Rs)	2.72	2.66
Face Value per equity share (Rs.)	10	10

31 Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the year ended on 31st March, 2018 are not comparable with the previous periods presented.

32 There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Fair Value Measurement hierarchy	31.03.2018	31.03.2017	01.04.2016	
	Carrying Amount	Carrying Amount	Carrying Amount	Level of Input Used Level 3
Financial Assets				
At amortised Cost				
Trade Receivables	2424.14	2262.31	1984.72	
Cash and Bank Balances	47.80	46.53	333.28	
Loans	4.03	5.43	6.78	
At FVTPL				
Investments	--	--	300.00	300.00
Financial Liabilities				
- Borrowings	961.99	1058.61	1727.35	
- Trade payables	4.39	52.28	54.72	
- Other financial liabilities	152.44	133.33	162.32	

34 Events after the reporting period

The Board of Directors has recommended a dividend of 10% (Re 1/- per equity share of Rs. 10/- each) aggregating Rs. 88.48 lacs, including Rs. 15.21 lacs dividend distribution tax for the financial year 2017-18 subject to approval of Shareholders in the Annual General Meeting

35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 30th May, 2018

36 FIRST TIME IND AS ADOPTION RECONCILIATIONS

36.1 Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016

Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity as reported under previous GAAP	2314.98	2232.51
Dividend including tax thereon	88.19	-
Equity under Ind AS	2,403.17	2,232.51

36.2 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Profit after Tax reported under previous GAAP	170.95
Add : Reclassification of actuarial gains/losses, arising in respect of employee benefit schemes, to other comprehensive income	36.16
Tax on above adjustment	-11.96
Total	195.15
Other comprehensive income/(expenses) for the year (net of tax)	-24.20
Total Comprehensive Income reported under Ind AS	170.95


37 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 with Description of relationship	Nature of Transaction	Value of transaction for the period ended 31.03.2018	Outstanding as on 31.03.2018	Payable - P Receivable - R	Written off During Year ended 31.03.2018
Mr. Vinay Khandelwal Son of Mr. A. P. Khandelwal, Director and Brother of Mr. Pramod Khandelwal, Managing Director of the Company	Rent paid / Payable	0.36	--	--	Nil
		(0.36)	(--)	(-)	(Nil)
M/s Khandelwal Busar Industries Pvt. Ltd. (Formerly know as Kochar Agro Industries Pvt. Ltd.) Enterprise in which Mr. R. C. Khandelwal Whole Time Director and Mr. Pramod Khandelwal, Managing Director of the Company have substantial interest.	Sales	35.02	--	--	Nil
		(33.77)	(--)	(-)	(Nil)
	Job Work Income	66.21	--	--	Nil
		(67.39)	(--)	(-)	(Nil)
	Rent Received / Receivable	24.00	--	--	Nil
		(24.00)	(--)	(-)	(Nil)
M/s SWD Industries Firm in which Mr. A. P. Khandelwal, Director and Mr. R.C. Khandelwal Whole Time Director of the Company are partners	Sales	--	--	--	Nil
		(0.30)	(--)	(-)	(Nil)
	Purchases	0.27	--	--	Nil
		(1.15)	(--)	(-)	(Nil)
Mr. R. C. Khandelwal Whole Time Director of the Company	Remuneration and perquisites	108.60	3.88	P	Nil
		(87.23)	(3.65)	(P)	(Nil)
Mr. Pramod Khandelwal Managing Director of the Company	Remuneration and perquisites	108.60	3.88	P	Nil
		(87.81)	(3.62)	(P)	(Nil)
Mr. A. P. Khandelwal Director of the Company	Remuneration and perquisites	24.12	--	P	Nil
		(16.73)	(1.01)	(P)	(Nil)
Mr. V. K. Hajela Independent Director of the Company	Sitting Fee	0.20	0.18	P	Nil
		(0.10)	(0.09)	(P)	(Nil)
Mr. S. K. Gupta Independent Director of the Company	Sitting Fee	0.36	0.32	P	Nil
		(0.34)	(0.31)	(P)	(Nil)
Ms. Neha Gupta Independent Director of the Company	Sitting Fee	0.12	0.11	P	Nil
		(0.22)	(0.20)	(P)	(Nil)

Previous year figures has been shown in bracket

38 CONTINGENT LIABILITIES AND COMMITMENTS :
38.1 Income Tax demand outstanding

Nature of statute	Nature of The dues	Amount (In lacs)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.41	AY 2005-06	AO
Income Tax Act, 1961	Income Tax	1.64	AY 2008-09	AO
Income Tax Act, 1961	Income Tax	2.43	AY 2012-13	ITAT
Income Tax Act, 1961	Income Tax penalty u/s 271(1)(c)	0.48	AY 2013-14	CIT
Income Tax Act, 1961	Income Tax and penalty u/s 271(1)(c)	1.06	AY 2014-15	CIT

* : Excluding interest under Income Tax Act



- 38.2** The HSIIDC has increased the price of land by Rs. 20.76 lacs and demanded the enhanced price. This matter is pending in the court of District Judge, Faridabad. The Company has however, paid Rs. 5.25 lacs. Also, there might be consequent liability in the nature of interest.
- 39** The previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.
- 40** The Company is predominantly engaged in the single business segment of Metal sector.

In terms of our annexed report of even date

For **Vinod Kumar & Associates**

Chartered Accountants

FRN No. 002304N

(MUKESH DADHICH)

Partner

Membership No. 511741

For and on behalf of the Board

R. C. Khandelwal

Chairman & Whole -time Director

DIN : 00124085

Pramod Khandelwal

Managing Director

DIN : 00124082

Preeti Khatore

Company Secretary

PAN : ARSPV4953A

R. A. Sharma

CFO

PAN : AMTPS3388J

Date : 30.05.2018

Place : New Delhi

