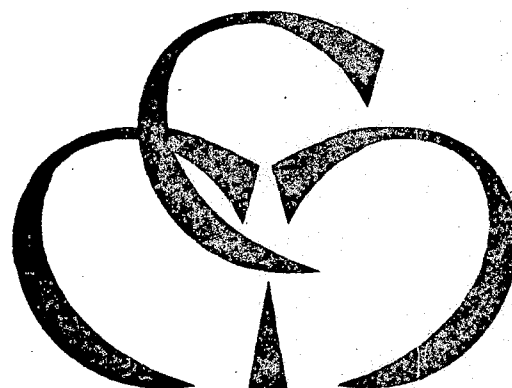


MD	✓		BKC	✓
CS	ND		DFY	ND
RO	✓		DEV	ND
TRA	ND		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		

3rd Annual Report 1996-97

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METAL COATINGS (INDIA) LIMITED

**METAL COATINGS (INDIA) LIMITED****CORPORATE INFORMATION****Managing Director**

Ramesh C. Khandelwal

Directors

Pramod Khandelwal
Virendra Hajela
Vimal Prabha Khandelwal
Radhey Shyam Khandelwal
Damodar Prasad Khandelwal
Ayodhya Prasad Khandelwal
K.L. Dhingra

HSIDC Nominee**Auditors**

Anil Khandelwal & Associates
Chartered Accountants

Bankers

Canara Bank

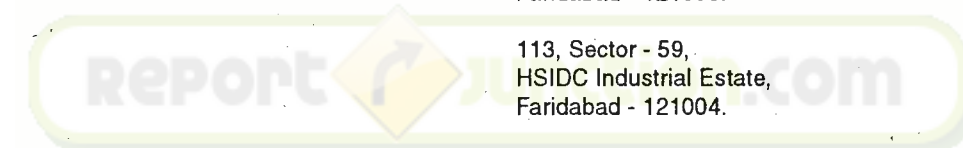
Registered Office

A-12, Lajpat Nagar-II,
New Delhi - 110024.

Works

Sector 45,
Mewla Maharajpur,
Faridabad - 121003.

113, Sector - 59,
HSIDC Industrial Estate,
Faridabad - 121004.



3rd Annual General Meeting		
Day	:	Friday
Date	:	26th September, 1997
Time	:	10.00 A.M.
Venue	:	The Country Club, Sainik Farms, New Delhi - 110 062

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METAL COATINGS (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Third Annual General Meeting of Metal Coatings (India) Limited will be held at the Country Club, Sainik Farms, New Delhi-110062, on Friday the 26th day of September, 1997 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, the Profit and Loss Account for the year ended on that date, and the report of the Directors and Auditors thereon.
02. To appoint a Director in place of Mr. D.P. Khandelwal who retires by rotation and who, being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Smt. V.P. Khandelwal who retires by rotation and who, being eligible, offers herself for re-appointment.
04. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Anil Khandelwal and Associates, Chartered Accountants, retiring Auditors being eligible have given their consent for being considered for reappointment.

SPECIAL BUSINESS

05. To consider and, if thought fit to pass with or without modification(s), the following resolution as special resolution :
 "RESOLVED THAT subject to the confirmation of the Company Law Board, the Registered Office of the Company be shifted from the National Capital Territory of Delhi to the State of Haryana and Clause II of the Memorandum of Association of the Company be altered by substituting the words "National Capital Territory of Delhi" by the words "State of Haryana."
06. To consider and, if thought fit to pass with or without modification(s), the following resolution as ordinary resolution :
 "RESOLVED THAT in supersession of the ordinary resolution passed by the shareholders of the Company in the First Annual General Meeting held on 14th September, 1995, and pursuant to the provisions of sections 310 & 269 of the Companies Act, 1956 and other applicable provisions if any, Company hereby approves the re-fixation of remuneration of Mr. R.C. Khandelwal, Managing Director w.e.f. 01.04.97, which shall now be determined by the Board of Directors from time to time subject to a maximum of,
 (i) Rs. 5 lacs by way of Salary, allowances and perquisites etc. and
 (ii) 2.5 % commission on profits"
07. To consider and, if thought fit to pass with or without modification(s), the following resolution as ordinary resolution :
 "RESOLVED THAT in supersession of the ordinary resolution passed by the shareholders of the Company in the First Annual General Meeting held on 14th September, 1995, and pursuant to the provisions of sections 310 & 269 of the Companies Act, 1956 and other applicable provisions if any, Company hereby approves the re-fixation of remuneration of Mr. Pramod Khandelwal, Whole time Director w.e.f. 01.04.97, which shall now be determined by the Board of Directors from time to time subject to a maximum of,
 (i) Rs. 5 lacs by way of Salary, allowances and perquisites etc. and
 (ii) 1.5 % commission on profits."
08. To consider and, if thought fit to pass with or without modification(s), the following resolution as ordinary resolution :
 "RESOLVED THAT Mr. A.P. Khandelwal, who was appointed as additional Director of the Company by the Board of Directors and who will cease to hold office under section 260 of Companies Act 1956 and in respect of whom the Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed Director of the Company, whose period of office shall be liable to determination by retirement by rotation."

BY ORDER OF THE BOARD

DATE : AUGUST 26, 1997
 PLACE : New Delhi

(Pramod Khandelwal)
 Director



METAL COATINGS (INDIA) LIMITED

NOTES :

01. An Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of items 5 to 8 is annexed hereto.
02. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company. A Blank proxy form is enclosed. If used, it should be deposited with the Company, duly executed not later than 48 hours before the commencement of the annual general meeting.
03. The Register of Members and share transfer books of the Company will remain closed from Monday 15th of September to Friday the 26th day of September, 1997 (both days inclusive).
04. Members are requested to notify immediately any change in their address to the Company's Registered Office.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 FORMING PART OF NOTICE DATED 26TH AUGUST, 1997.

Item No.5

The Board of Directors at their meeting held on 14th March, 1997 have passed a resolution for shifting of registered office from National Capital Territory of Delhi to the State of Haryana in pursuance of one of the conditions attached to letter dated 30.08.95 of HSIDC regarding proposal of term loan of Rs. 283 lacs. To comply with the provision of Companies Act, 1956 approval of shareholders is required, by a special resolution.

Except Mr K.L.Dhingra, nominee, HSIDC none of the directors is deemed to be interested or concerned in the proposed resolution.

Your directors recommend passing of the resolution.

Items No.6 & 7

In view of the increase in operations of the company the Board of Directors of the company have decided to increase the remuneration of Mr. R.C. Khandelwal, Managing Director and Mr. Pramod Khandelwal, whole time Director of the Company for the residual period of their terms of appointment.

Mr. R.S. Khandelwal, Mrs. V.P. Khandelwal, Mr. A.P. Khandelwal, Mr. R.C. Khandelwal and Mr. Pramod Khandelwal are deemed to be interested or concerned in the proposed resolution.

Your directors recommend passing of the resolution.

Item No.8

The Board of Directors have at their meeting held on 26th August, 1997 appointed Mr. A. P Khandelwal, as Additional Director. According to the provision of section 260 of the Companies Act, 1956, he holds office as Director only up to the date of ensuing meeting. Notice has been received from a member signifying his intention to propose appointment of Mr. A.P. Khandelwal as Director along with necessary deposit.

Mr. A.P. Khandelwal has 35 years of experience in wide variety of industries including fertilisers and chemicals, metallurgical, industrial development, institutional finance and Light Engineering industries. He is Ex-Chairman cum Managing Director of Pyrites Phosphates and Chemicals Limited. (A Government of India Undertaking)

Mr. Pramod Khandelwal, Mr. D.P. Khandelwal, Mrs V.P. Khandelwal and Mr. R.S. Khandelwal are deemed to be interested and concerned in the proposed resolution.

Your Directors recommend passing of the resolution.

BY ORDER OF THE BOARD

DATE : AUGUST-26, 1997
PLACE : New Delhi

(Pramod Khandelwal)
Director



METAL COATINGS (INDIA) LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors of your company have pleasure in presenting their Third Annual Report together with the audited statement of Accounts for the year ended 31st March, 1997.

1. FINANCIAL HIGHLIGHTS :

	1996-97	(Rs. in Lacs) 1995-96
Total Income	1,837	1,041
Profit before Tax	68	53
Provision for Tax	9	14
Profit after Tax	59	39

Appropriations

Dividend Proposed	-	16
Transfer to Reserves & Surplus	59	23

2. OPERATIONS :

During the year, the company implemented its backward integration project and the commercial production of CR strips commenced in September 1996.

The year saw an overall recession in the economy particularly in the second half of the year. Further, the Telecommunication industry saw a series of events causing substantial fall in orders and cash flows thereby adversely affecting the business of the company. This resulted in considerable pressure on the margins of the company. The second half operations were unfavourable also due to the time taken in stabilisation of production at the new project.

In view of the difficult financial position, the directors feel that it would be in the interest of the company to skip dividend this year and conserve reserves for the growth of the company. Therefore, the directors do not propose to pay dividend for the year 1996-97.

In spite of the adverse economic scenario, the company registered an impressive growth in sales by more than 77% over previous year.

3. PERSONNEL

Industrial relations remained cordial throughout the year. There are no employees within the meaning of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

4. BOARD OF DIRECTORS :

In accordance with the Articles of Association of the Company Mr. D.P. Khandelwal and Mrs. V.P. Khandelwal Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Vinay Khandelwal, Whole Time Director resigned from the Office of Director with effect from 1/7/1997. Your Directors place on record their appreciation for the contributions made by Mr. Vinay Khandelwal during his tenure with the Company.

Mr. A.P. Khandelwal, who was appointed as Additional Director vacates office at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

5. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are enclosed as part of the report.

6. LISTING AGREEMENT :

Information as required under clauses 32 & 43 of the listing agreement is enclosed as part of the report.

7. AUDITORS :

The auditors, M/s Anil Khandelwal & Associates, Chartered Accountants, New Delhi retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

8. ACKNOWLEDGMENT :

The Directors wish to place on record their appreciation to Canara Bank, Haryana State Industrial Development Corporation, Haryana Financial Corporation and the employees of the company for their support and co-operation.

For and on behalf of the Board of Directors

(R.C. Khandelwal)
Managing Director

August 26th, 1997.
New Delhi