

*6th
Annual Report
1999-2000*



METAL COATINGS (INDIA) LIMITED

**CORPORATE INFORMATION****DIRECTORS**

A.P. Khandelwal
 R.C. Khandelwal
 Virendra Hajela
 Pramod Khandelwal
 V.P. Khandelwal
 R.S. Khandelwal
 D.P. Khandelwal
 K.L. Dhingra

Chairman
Managing Director

Nominee, HSIDC

AUDITORS

Anil Khandelwal & Associates
 Chartered Accountants

BANKERS

Canara Bank

REGISTERED OFFICE

K-81 A, Lajpat Nagar-II
 New Delhi - 110024.

WORKS

Sector - 45, Mewla Maharajpur
 Faridabad - 121003
 113, HSIDC Industrial Estate
 Sector-59, Faridabad - 121004

Report  junction.com

6TH ANNUAL GENERAL MEETING

Day : Wednesday
Date : 27th September, 2000
Time : 3.00 P.M.
Venue : The Country Club
 Sainik Farms
 New Delhi - 110 062

C O N T E N T S

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of Metal Coatings (India) Limited will be held at The Country Club, Sainik Farms, New Delhi - 110062 on Wednesday the 27th day of September, 2000 at 3.00 P.M. to transact the following business :

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, the Profit and Loss Account for the year ended on that date, and the report of the Directors and Auditors thereon.
02. To declare a dividend for the financial year ended 31st March, 2000.
03. To appoint a Director in place of Mr. V.K. Hajela who retires by rotation and who, being eligible, offers himself for reappointment.
04. To appoint a Director in place of Mr. R.S. Khandelwal who retires by rotation and who, being eligible, offers himself for reappointment.
05. 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

06. To consider and, if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:
RESOLVED THAT Mr. R. C. Khandelwal, be reappointed as Managing Director with effect from 16th May, 2000 for a term of 5 years at a remuneration which shall now be determined by the Board of Directors from time to time subject to maximum of :
(i) Rs. 10 lacs per annum 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 an ordinary resolution:
RESOLVED THAT Mr. Pramod Khandelwal, be reappointed as Whole time Director with effect from 16th May, 2000 for a term of 5 years at a remuneration which shall now be determined by the Board of Directors from time to time subject to maximum of :
(i) Rs. 10 lacs per annum by way of salary, allowances and perquisites etc. and
(ii) 1.5 % Commission on profits
08. To pass with or without modification(s), the following resolution as a special resolution:
RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and the sub clause 1 of clause 87 of the Articles of Association of the company, be altered to increase the sitting fees to director for each meeting of the Board or a committee thereof, from Rs. 250 to Rs. 2,000.

By order of the Board

Date : August 23, 2000
Place : New Delhi

(PRAMOD KHANDELWAL)
Director (Commercial)

**NOTES :**

01. 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.
02. The Register of Members and share transfer books of the Company will remain closed from Tuesday 19th of September, 2000 to Thursday the 21st day of September, 2000 (both days inclusive).
03. Members are requested to notify immediately any change in their address to the Company's Registered Office.
04. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
05. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
06. The dividend on shares as recommended by the Board of Directors, if declared at the meeting will be paid to those shareholders whose name appear in the Register of Members on 21st September, 2000.
07. An Explanatory Statement under section 173 of the Companies Act, 1956 in respect of item No. 6, 7 & 8 is annexed hereto.

EXPLANATORY STATEMENT**Item No. 6**

Mr. R. C. Khandelwal was appointed at the 1st Annual General Meeting as a Managing Director of the company for a term of 5 years w.e.f. 16th May, 1995. The remuneration being paid to him currently is Rs. 5.00 lacs by way of salary, allowances and perquisites plus 2.5% commission on profit. Now, this 5 years term expires on 15th May, 2000.

Your Directors consider that the services of Mr. R.C. Khandelwal are of great value to the Company. Hence, the resolution is recommended by the Board to reappoint Mr. R.C. Khandelwal as Managing Director of the Company, for another term of 5 years, with effect from 16th May, 2000.

Mr. R.S. Khandelwal is deemed to be interested in the proposed resolution.

Item No. 7

Mr. Pramod Khandelwal was appointed at the 1st Annual General Meeting as a Whole Time Director of the company for a term of 5 years w.e.f. 16th May, 1995. The remuneration being paid to him currently is Rs. 5.00 lacs by way of salary, allowances and perquisites plus 1.5% commission on profit. Now, this 5 years term expires on 15th May, 2000.

Your Directors consider that the services of Mr. Pramod Khandelwal are of great value to the Company. Hence, the resolution is recommended by the Board to reappoint Mr. Pramod Khandelwal as Whole Time Director of the Company, for another term of 5 years, with effect from 16th May, 2000.

Mr. A.P. Khandelwal and Mrs. V.P. Khandelwal are deemed to be interested in the proposed resolution.

Item No. 8

Sitting fees of Rs. 250, for attending the each meeting of Board or a committee thereof, was originally decided at the time of formation of company is inadequate. Hence the resolution is recommended by the Board to increase the sitting fee to Rs. 2,000.

All the Directors are deemed to be interested in the proposed resolution.

By order of the Board

Date : August 23, 2000
Place : New Delhi

(PRAMOD KHANDELWAL)
Director (Commercial)



DIRECTORS' REPORT

TO THE MEMBERS,

The Directors of your company have pleasure in presenting their SIXTH ANNUAL REPORT together with the Audited Statements of Account for the year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS :

(Rs. in lakhs)

| | 1999-2000 | 1998-99 |
|--------------------------|-----------|---------|
| Total Income | 5005 | 4310 |
| Operating Profit | 352 | 345 |
| Profit before Tax | 162 | 145 |
| Provision for Taxation | 47 | 15 |
| Profit after Tax | 115 | 130 |
| Proposed Dividend (10%) | 49 | 49 |
| Tax on Proposed Dividend | 11 | 5 |

PERFORMANCE REVIEW :

Your company achieved a turnover of Rs. 5004.94 lacs, a growth of 16% over the previous year (Rs. 4302.52 lacs). The profit before tax, however increased by 12% to Rs. 162.68 lacs over the previous year (Rs. 145.26 lacs). This was mainly because the price of H R Coil was continuously on rise during the year resulting into higher cost of production and pressure on the bottom line. Substantial part of cost increase could however be overcome by persuading the customers to increase the price as also by prudent buying of raw materials.

DIVIDEND :

Your Directors are pleased to recommend a dividend of 10% on the equity capital for the year 1999-2000. If approved, the dividend pay-out will be Rs. 49.04 lakhs and taxation on proposed dividend Rs. 10.79 lakhs.

Y2K COMPLIANCE :

Necessary steps were taken by the Company to ensure Y2K compliance by upgradation/replacement of hardware and software. Consequently, all the systems of the company rolled over to year 2000 and the transition was smooth.

PERSONNEL :

Industrial relations remained cordial throughout the year. Particulars of employees within the meaning of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, are as follows :-

| | |
|------------------------------------|-------------------------------------|
| 1. Employee Name | A.P. Khandelwal |
| Designation | Chairman |
| Remuneration (Rs. in lacs) | 8.44 |
| Qualification | M.Com., F.I.C.W.A. |
| Age | 61 years |
| Total Experience | 38 years |
| Date of commencement of Employment | April, 1998 |
| Particulars of previous Employment | Pyrites Phosphates & Chemicals Ltd. |
| Designation | Chairman cum Managing Director |



METAL COATINGS (INDIA) LIMITED

| | |
|------------------------------------|--------------------------|
| 2. Employee Name | R.C. Khandelwal |
| Designation | Managing Director |
| Remuneration (Rs. in lacs) | 8.44 |
| Qualification | B.E. (Mech.) |
| Age | 50 years |
| Total Experience | 27 years |
| Date of commencement of Employment | May, 1995 |
| Particulars of previous Employment | Metal Coatings (India) |
| Designation | Managing Partner |
| 3. Employee Name | Pramod Khandelwal |
| Designation | Director (Commercial) |
| Remuneration. (Rs. in lacs) | 6.98 |
| Qualification | B.Com.(Hons.), F.C.A. |
| Age | 34 years |
| Total Experience | 11 years |
| Date of commencement of Employment | May, 1995 |
| Particulars of previous Employment | Hindustan Lever Ltd. |
| Designation | Manager |

BOARD OF DIRECTORS :

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

ENERGY CONSERVATION, ABSORPTION OF 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.

LISTING AND LISTING AGREEMENT :

Shares of the company are listed with the Mumbai, Delhi and Jaipur Stock Exchanges. The company has paid the annual listing fees of all the Stock Exchanges.

Information as required under clause 32 of the listing agreement is enclosed as part of the report.

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 have given their consent for being considered for reappointment.

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

Date : August 23, 2000
Place : New Delhi

(R.C. KHANDELWAL)
Managing Director