



**METAL COATINGS (INDIA) LIMITED**

25th  
**ANNUAL  
REPORT**

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

**Mr. Ramesh Chander Khandelwal**  
*Chairman & Whole-time Director*

**Mr. Pramod Khandelwal**  
*Managing Director*

**Mr. Satish Kumar Gupta**  
*Independent Director*

**Ms. Neha Gupta**  
*Independent Director*

**Mr. Virender Kumar Hajela**  
*Independent Director*  
*(Resigned w.e.f. 13<sup>th</sup> August, 2018)*

**Mr. Santosh Khandelwal**  
*Additional Director*  
*(Appointment w.e.f. 14<sup>th</sup> November, 2018)*

**Chief Financial Officer**

**Mr. Ram Awtar Sharma**

**Company Secretary & Compliance Officer**

**Mr. Piyush Jain**

**Statutory Auditors**

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

**Cost Auditor**

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

**Registrar and Share Transfer Agent**

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

**Registered Office**

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

**Works**

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

**Bankers**

The Hongkong and Shanghai Banking Corporation Ltd.

**Website**

[www.mcil.net](http://www.mcil.net)

**Email ID for Investors**

[cs@mcilindia.net](mailto:cs@mcilindia.net)

<b>25<sup>th</sup> ANNUAL GENERAL MEETING</b>	
Day	: Tuesday
Date	: 24 <sup>th</sup> September, 2019
Time	: 10:30 a.m. (IST)
Venue	: Hotel – The Legend INN E-4, East of Kailash, New Delhi - 110065

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## DIRECTORS' REPORT

Dear Members,

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

### FINANCIAL RESULTS

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

(Rs. in lacs)

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

### PERFORMANCE REVIEW AND STATE OF AFFAIRS OF THE COMPANY

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

### DIVIDEND

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

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

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

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

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

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

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



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

**TRANSFER TO RESERVES**

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

**SHARE CAPITAL**

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

**MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR**

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

**CHANGE IN THE NATURE OF BUSINESS**

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

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

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

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

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

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

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

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



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

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

**Cessation**

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

**Key Managerial Personnel**

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

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

**Statement of Declaration given by Independent Directors**

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

**BOARD EVALUATION**

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

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

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

**DETAILS OF MEETINGS OF BOARD OF DIRECTORS HELD DURING THE YEAR**

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

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

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



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

# Resigned w.e.f. 13<sup>th</sup> August, 2018

\* Appointed w.e.f. 14<sup>th</sup> November, 2018

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

**DEPOSITS**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan or guarantee and has not made any investment covered under the provisions of Section 186 of the Act in the securities of any other Bodies Corporate during the financial year ended 31<sup>st</sup> March, 2019.

**NO DEFAULT**

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

**RELATED PARTY TRANSACTIONS**

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

All transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee of the Company for its review. The details of the related party transactions are set out in Note 34 to the Financial Statements of the Company.

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

**STATUTORY AUDITORS AND AUDITOR'S REPORT**

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

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

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

**SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

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

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

**COST AUDITORS & COST RECORDS**

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

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

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

**SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES**

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

**BOARD COMMITTEES**

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

**(a) Audit Committee**

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

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

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



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

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

# Resigned w.e.f. 13<sup>th</sup> August, 2018

\* Appointed w.e.f. 14<sup>th</sup> November, 2018

**(b) Nomination and Remuneration Committee**

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

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

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

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

# Resigned w.e.f. 13<sup>th</sup> August, 2018

\* Appointed w.e.f. 14<sup>th</sup> November, 2018

**(c) Stakeholders' Relationship Committee**

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

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

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

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

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

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

**EXTRACT OF ANNUAL RETURN**

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

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

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

**(b) Vigil Mechanism/Whistle Blower Policy**

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

**(c) Risk Management Policy**

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

**MANAGERIAL REMUNERATION**

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

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

**MRE** : Median Remuneration of Employees.

**#** : Based on annualised Salary

**\*** Resigned w.e.f 12<sup>th</sup> April, 2019

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

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS OR COURT**

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

**INTERNAL FINANCIAL CONTROLS**

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

**CREDIT RATING**

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

**CORPORATE GOVERNANCE**

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

**LISTING ON STOCK EXCHANGES**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

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

**INDUSTRIAL RELATIONS**

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

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

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

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

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

**DISCLOSURE UNDER SECRETARIAL STANDARDS**

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

**ACKNOWLEDGEMENT**

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

**For and behalf of the Board of Directors**

Place : New Delhi  
Date : 12<sup>th</sup> August, 2019

Sd/-  
Ramesh Chander Khandelwal  
Chairman  
DIN: 00124085