



where vision takes shape

K I C Metaliks Limited

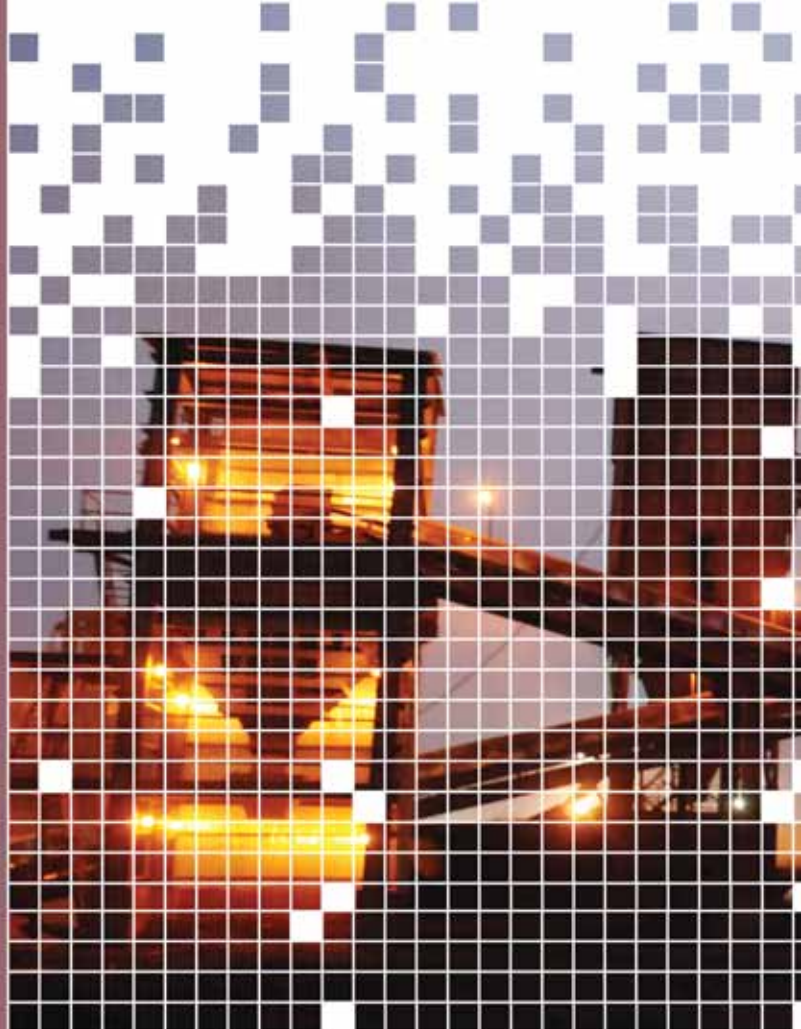
GETTING STRONGER

Annual Report | 2010-11



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Forward Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investments decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe that we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should carefully bear this into their mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Getting stronger by working towards enhancing our scalability. Getting stronger by making more profits. Getting stronger by enhancing our value chain. Getting stronger by enhancing our market dynamics. Getting Stronger by making a longstanding customer relationship. Getting stronger by creating respect for every individual. Getting stronger by creating a mutual trust and respect among employees. Getting stronger by addressing the emerging needs of the society as a responsible corporate citizen.

“ Getting stronger is a well defined metaphor which envisages a sense of togetherness, thus defining our vision towards building a solid foundation for our brighter tomorrow ”

Know K I C Metaliks

GENESIS

- ▶ Established in 1986 and 100% management control been taken over by M/s. Karni Syntex Private Limited from the helms of its previous owners and successfully reviving it to become a profitable entity.
- ▶ Developed & nurtured by a young and dynamic entrepreneur Mr. Radhey Shyam Jalan and supported by a young & dynamic team of around 200 employees.

PRESTIGE AND PRODUCT PORTFOLIO

- ▶ Shares listed at the Bombay Stock Exchange Limited.
- ▶ The Company is in the process of implementing Oracle based ERP system which would integrate business processes further.
- ▶ The Company is one of the most respected producers of Pig Iron and Portland Slag Cement in Eastern India.

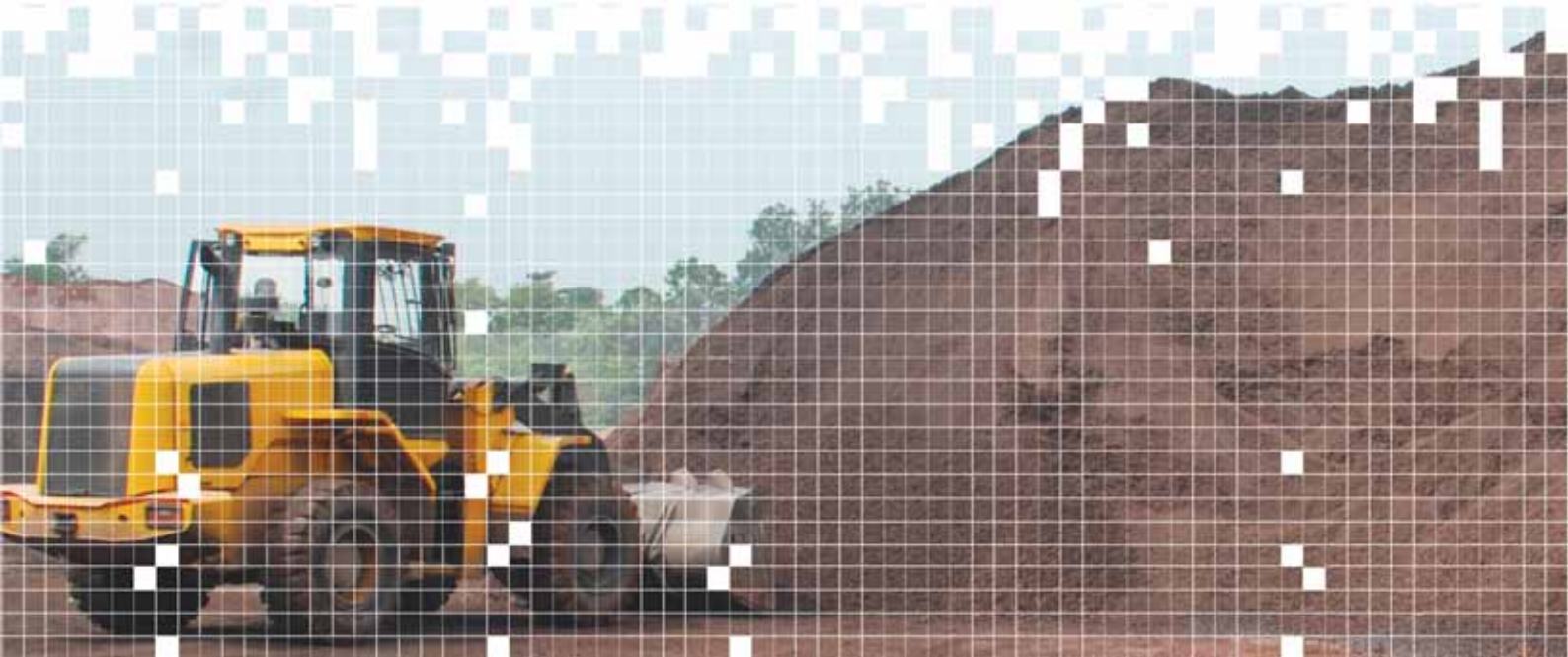
PRESENCE

- ▶ Manufacturing location at Raturia, Angadpur, Durgapur in West Bengal.
- ▶ Registered & Corporate office at Kolkata.

QUALITY ACCREDITATIONS AND PRODUCT ACCEPTABILITY

- ▶ K I C's main stream product, Pig iron is widely accepted in the market due to its recognition for its long size which makes it unique when compared to other Pig Iron producers across the region.
- ▶ K I C's quality commitment is visible through its BIS certification for its Cement facility.





SUSTAINABLE GROWTH

K I C Metaliks Limited has achieved significant and sustainable growth despite the cyclical nature of the steel industry by implementing its de-risking strategy as developed by the management in consultation with various senior executives of the Company.



TECHNOLOGY

K I C Metaliks Limited is successfully moving ahead into the path of being a technology driven Company. The Company is investing in next generation technologies. Technology mingled with operational innovation practices is part of the DNA of our Company.



The elements that get us going



TEAMWORK

Any growth is not possible without a successful team. Our people set benchmarks and share them across various groups. We cultivate a borderless interaction among our employees. Teamwork is the key to the overall functioning of our Company.

TRANSFORMATION

K I C Metaliks Limited has evolved from being a local player to a brand house into the manufacture of Pig Iron and Portland Slag Cement in the Eastern India. It is now transforming itself from being a mere Pig Iron producer to a complete steel manufacturer. A transformation is at the forefront of the Company's agenda.

ENVIRONMENT

We encourage our employees to address the emerging needs of the society. We are committed of creating, maintaining and ensuring a safe & clean environment. We always make an attempt to make our processes and businesses more environments friendly. At K I C Metaliks, social responsibility comes from the heart.

OUR CORPORATE ETHOS THAT SHOWS OUR SUSTAINABILITY MODEL

C

Care for
CUSTOMERS

R

Respect for
ASSOCIATES

E

Excellence
through
TEAM WORK

A

Always
LEARNING

T

Trust
MUTUALLY

E

Ethical
VALUES

This is what we achieved in 2010-11



Absolutes

- ▶ 73.26% increase in EBIDTA from ₹ 1,782.30 Lacs in 2009-10 to ₹ 3,088.06 Lacs in 2010-11.
- ▶ 67.40% increase in Profit after Tax from ₹ 906.85 Lacs in 2009-10 to ₹ 1,518.05 Lacs in 2010-11.
- ▶ 37.41% increase in Earning Per Share from ₹ 16.20 per share in 2009-10 to ₹ 22.26 per share in 2010-11.
- ▶ 7.29% increase in Gross Block of Fixed Assets from ₹ 7960.97 Lacs in 2009-10 to ₹ 8541.36 Lacs in 2010-11.

People

- ▶ Human Resource, the core asset base of the Company stood at 213 during 2010-11.
- ▶ Revenue per employee made by the Company stood at ₹ 7.127 Lacs.

Ongoing Projects

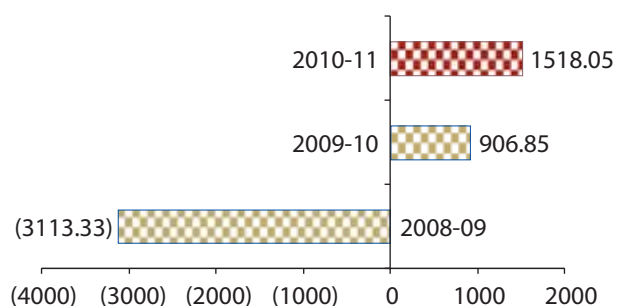
- ▶ Sinter Plant with annual production capacity of 3,56,000 MTPA.
- ▶ Waste Heat Recovery based 4.7 MW Captive Power Plant.

Board Room

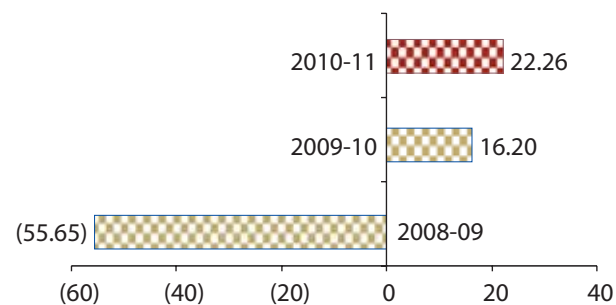
- ▶ Preferential Allotment of 15,00,000 Equity Shares of ₹ 10/- each to promoter and non-promoter investors.
- ▶ Allotment of 1,45,50,000, 7% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each to various non-promoter investors.

Investing in present will strengthen our future

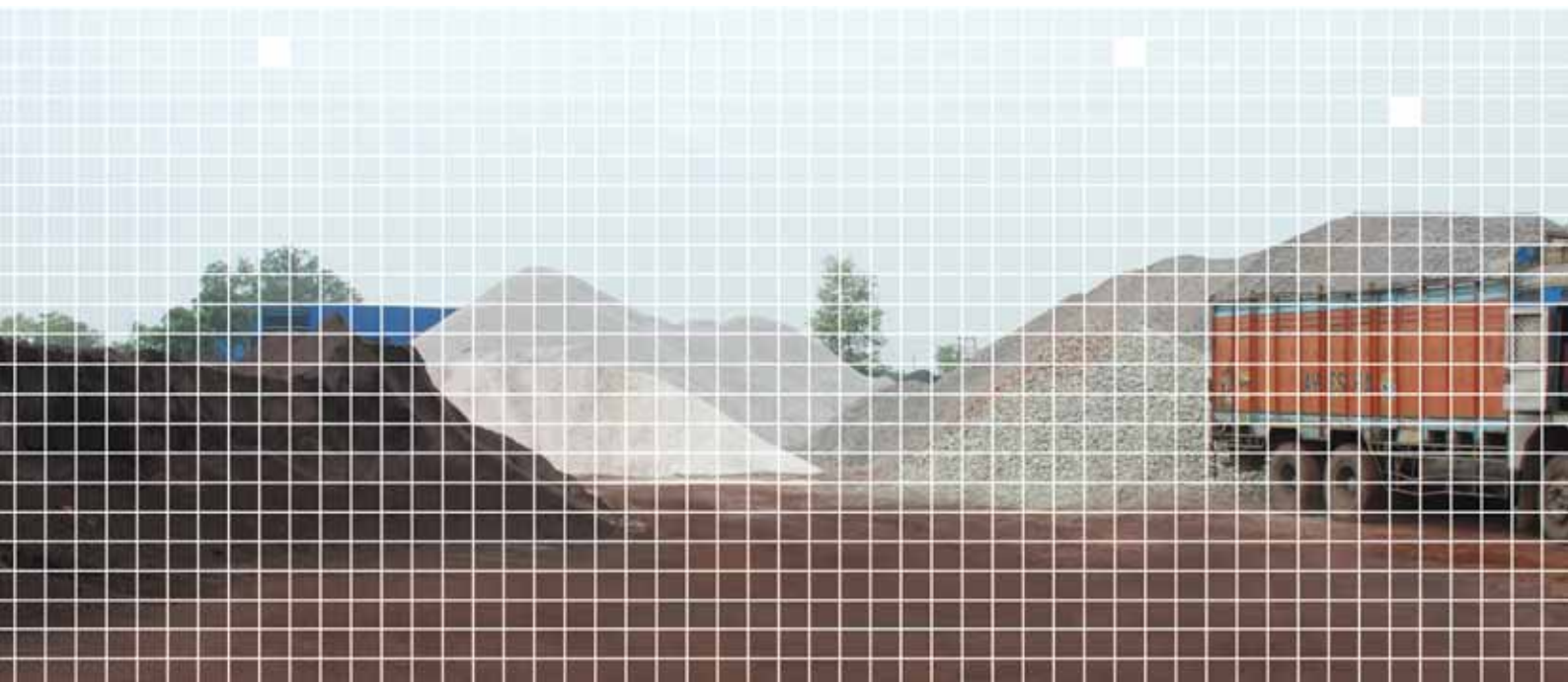
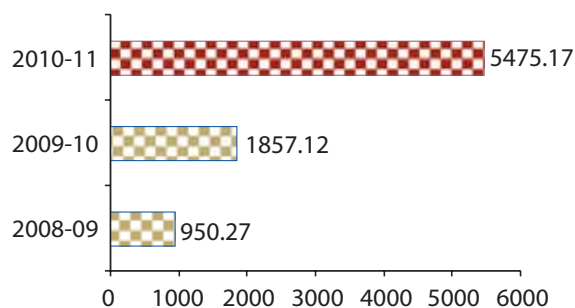
Profit after Tax (₹ in Lacs)



Earning Per Share (₹)



Networth (₹ in Lacs)



A sense of integration ... from the subjective ME to the objective WE

Nurturing success through People

The success of any business is solely dependent on the people who are part of the enterprise. Almost every endeavor in productivity, quality, research and development, customer centricity are meaningless unless owned and implemented by our team. This realisation is the guiding force for K I C's Human Resource policies.

Empowerment, teamwork, and disciplined decision making are hallmarks of our management. Our team is young and energetic. Our goals are ambitious. Our HR team works to ensure that we recruit, develop, and train our team to achieve their peak performance levels, and then gradually better them.

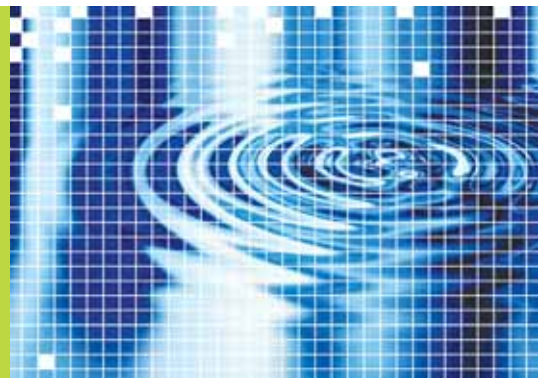
Some of the measures taken by K I C with their existing people centric strategies were :

- ▶ The HR department monitor manages the way the people achieved the objectives of the Company over the long-term basis.
- ▶ The management of the Company follows several stringent criteria for performance appraisal and recognizes & rewards the best performing personnel across the Company.
- ▶ The Company provides its employees with a dedicated canteen facility including mid-day meals at subsidized rates.
- ▶ The Company provides pick and drop facility to its employees from various suitable points to plant premises.



Thinking beyond the business

A drop of water starts a ripple but our concerns spread ever wider. When we think beyond the narrow concerns of our Company, we ensure the viability of the industry. When we think beyond the industry, we ensure the viability of the economy and society. In the ultimate analysis, it is the ecosystem that precipitates the seasons, that in turn brings the life giving rain. Through our slew of below mentioned activities including health & safety, environment management and social services, we aim for the betterment of our society and people around us.



Health & Safety

- ▶ At K I C safety is accorded the first priority across all levels in the plant premises.
- ▶ The Company provides regular health & training sessions for its employees.
- ▶ Provision of safety apparels like helmets, gum boots, gloves, etc. to the employees.
- ▶ Proper first aid facility is provided to employees. A dedicated "Occupational Health Centre" has also been set-up at the plant premises.
- ▶ Working areas are properly illuminated so as to avoid any accidents.

Environment Management & Social Welfare

- ▶ Implement greening activities by planting trees in the plant premises for the betterment and conservation of the environment.
- ▶ Improving pollution control through advanced initiatives.
- ▶ Using eco-friendly technologies to grow greener and cleaner.
- ▶ Optimum water consumption through water reuse and recycling.
- ▶ Further, the Company plans to install a 4.7 M.W. waste heat recovery based Captive Power Plant.
- ▶ Development of a Mandir inside the plant premises.
- ▶ Development and beautification of a pond inside the plant premises.



Fostering Strengths & Enhancing Capabilities

Operational Capabilities

Pig Iron	110,000 MTPA
Portland Slag Cement	33,000 MTPA
C.I. Castings	18,000 MTPA

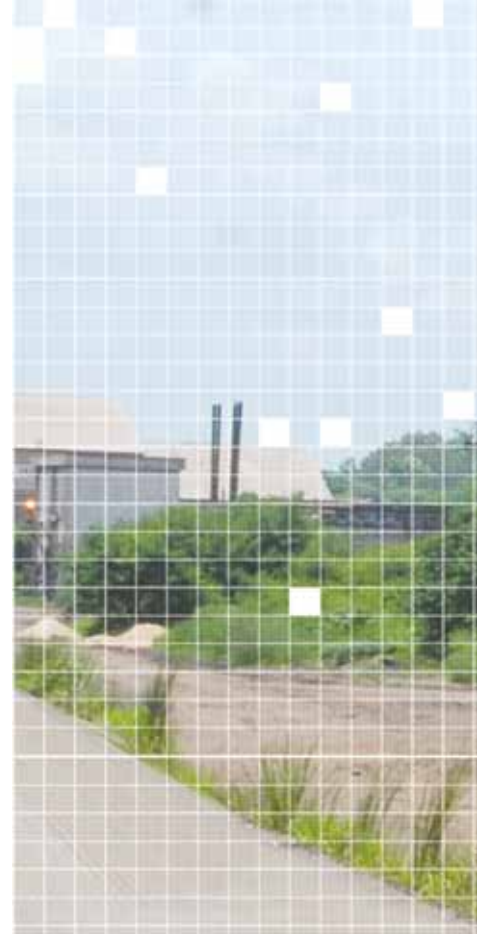
One of the biggest investments made by K I C Metaliks Limited lies in quality equipment selection and process discipline with a singular objective to manufacture quality products which find their application in downstream iron & steel and other user industries.

Our Company produces superior quality foundry and steel grade Pig Iron for different industries such as automobile, engineering, machine tools, waterworks, etc. We customise our products by allowing our clients the flexibility to alter chemical compositions to suit individual requirements. The Pig Iron is segregated according to chemical analysis findings for onward supplies.

We also produce Portland Slag Cement which is manufactured at our existing plant location. Slag, one of the major raw material for this type of cement, is produced from the Company's Pig Iron plant, located in close proximity.

All of the products manufactured by us undergo stringent quality test to address multiple quality parameters at various stages.

The superior product quality is expected to translate into repeat customers, committed off take and a premium over the prevailing realizations of a commodity marketplace.





The major goal of our Company is to achieve a production cost that protects our viability in both good and challenging market & times. To meet with this objective, our Company is installing an Annular Sinter Plant where it would use Iron Ore fines and LAM Coke fines into coarse grained iron ore sinter for charging the blast furnace. This would reduce wastage of iron ore and LAM Coke fines and would enhance production thereby reducing production cost.

In the iron and steel industry, expanding production automatically increases the demand for power. Accessing power from the grid is an expensive proposition. To minimize input costs, and improve dependability of power, the Company is setting up waste-heat recovery based captive power plant.

Our entire capacity expansion and productivity enhancement are based on a well considered business plan which would enable us to become an integrated steel plant of sizeable capacity to produce cheapest steel in future. Our strategy is based on a long-term view of the market opportunities, and our plans are aligned towards extracting maximum leverage from them.



Mr. Radhey Shyam Jalan, *Chairman and Managing Director*, reviews the Company's performance in 2010-11 and looks ahead

CMD's Perspective

What was the big message related to the Company in 2010-11?

The big message that I would like to share with my fellow shareholders is not as much about where we are at present as a Company but the direction in which we are heading. On the overall, the year gone-by had been extremely challenging and volatile. To retain the productivity of our mini-blast furnace we had to close it down for repair and re-lining work for a significant part of the year due to which our production got hampered.

Despite these odds there are some developments which give us reason to cheer i.e. our Annular Sinter Plant (annual capacity of 3,56,000 MTPA). The installation of the same is in full swing and is expected to commence production shortly.

In what way is K I C strengthening its competitive edge?

Before I expound on our corporate strategy, permit me to explain the industry environment. Big is getting bigger and Low cost is getting cheaper. No two sentences encapsulate the reality of the iron and steel industry more faithfully than these.

As a future-focused organization, we have outlined a strategy to grow with speed and economy, reinforcing our competitiveness.

Our strategic blue print describing our vision and zeal of not only getting bigger, but also to emerge as one of the largest and low cost producers of pig iron in the eastern part of India is shown below :

✓ Our 3,56,000 Annular Sinter Plant at the existing plant premises would reduce our dependence on the costly iron-ore lumps. The iron-

ore and LAM Coke fines generated from our existing Pig Iron plant will be used as raw material in the Sinter Plant which will further reduce wastage and will also reduce our operational cost significantly.

✓ In the business of the manufacturing of steel and allied products, the role of a captive power source cannot be underestimated for various reasons. One, a captive source of low-cost power translates into a distinctive competitive edge. Two, the continued availability of power makes it possible to circumvent production interruptions. Three, the availability of quality power helps stabilize product quality. Four, a captive power plant provides attractive depreciation buffers that make it possible to accelerate payback and invest in a bigger facility. Five, the profitable use of waste material like waste heat - provides additional benefits in terms of profitability and waste management. Six, an experience in power generation can be profitably monetized in today's environment through the commissioning of larger power plants that can engage in merchant sale or captive consumption.

Going ahead with the same, we are working on 4.7 MW waste heat recovery based captive power plant which would reduce our dependence on grid for continuous supply of power and would moreover decrease our power cost on per tonne of Pig Iron produced.

What is your view on the cyclability of your business?

A number of shareholders have questioned us on the cyclability of our industry. There are three ways when it comes to appraising a

Company like ours.

First that we operate in a cyclical environment where the demand for our products is influenced by the health of the steel industry.

Secondly, the steel industry has continuously been seeing a market shift. The industry that was once dominated by western markets has gradually shifted to Asian pockets. China holds a significant portion in the same and many large stream iron and steel industries are dependent on it. With that emergence of India as a global steel hub is also getting evident. India is slated to become the 2nd largest producer of crude steel by 2015-16. The production and consumption of steel related products is going to increase in the years to come with support from Government which is boosting infrastructure spending. The overall increase into the demand for steel is also seen from automobile and real estate companies.

There is a third cycle at play as well. We have constantly been reshaping our business model to enhance our counter-cyclicity and remain relatively insulated from sharp industry swings.

Our vision of integrating from a mere commodity player to a complete steel producing house, shows our pro-active vigour to counter cyclicity.

What is your outlook for future?

We shall continue to grow rapidly in the coming years with captive mineral resources and power generation in order to deliver sustainable growth and create value for all our stakeholders.

Directors' Profile

Mr. Radhey Shyam Jalan, is a Chartered Accountant and has over 10 years of experience in the field of management, finance and business administration. He is a Director of the Company since January, 2009 and Chairman and Managing Director since January, 2010.



Radhey Shyam Jalan
Chairman and Managing Director



Pradeep Chandra Sahoo
Executive Director

Mr. Pradeep Chandra Sahoo, is a Mechanical Engineer with P.G. Dip. in Business Management and has over 15 years of experience in the steel industry. He has previously worked with Tata Steel Limited in Technical and Human Resource positions. He is an Executive Director of the Company since January, 2009.

Mr. Thekken Narayanan Gunaseelan, is a Mining Engineer with B. Tech and was associated with Tata Steel Limited at their Mines & Ferro Alloys Division for over 10 years. He is a Mine Manager's Certificate holder and specialises in mine planning and project feasibility studies. He is a Director of the Company since August, 2009.



Thekken Narayanan Gunaseelan
Independent Director



Suresh Kumar Singhal
Independent Director

Mr. Suresh Kumar Singhal, is a Mechanical Engineer with MBA having an experience of around 15 years in the field of Project Management, Project Procurement, Contracting & Logistics in Oil & Petrochemical Industry and Steel Industry. He is a Director of the Company since August, 2009.

Corporate Information

CHAIRMAN & MANAGING DIRECTOR

Mr. R. S. Jalan

EXECUTIVE DIRECTOR

Mr. P. C. Sahoo

DIRECTORS

Mr. S. K. Singhal

Mr. T. N. Gunaseelan

CHIEF FINANCIAL OFFICER

Mr. Mukesh Bengani

COMPANY SECRETARY

Ms. Ruchika Dhanuka

AUDITORS

M/s. Agarwal Maheshwari & Co.

Chartered Accountants

2B, Grant Lane, Kolkata - 700 012

West Bengal, India

BANKERS

State Bank of India

REGISTERED OFFICE

"Sir RNM House"

3B, Lal Bazar Street

4th Floor, Room No. 2

Kolkata - 700 001

West Bengal, India

PLANT LOCATION

Raturia, Angadpur, Durgapur - 713 215

West Bengal, India

REGISTRAR & SHARE TRANSFER AGENT

M/s. S. K. Computers

34/1A, Sudhir Chatterjee Street

Kolkata - 700 006

West Bengal, India

Phone : 91 33 2219 4815/6797

Fax : 91 33 2219 4815

WEBSITE

www.kicmetaliks.com



Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 24th Annual Report of your Company, along with the Audited Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

(₹ in Lacs)

	2010 - 11	2009 - 10
Profit before Depreciation & Taxation	2,206.52	1,305.75
Less : Depreciation	411.96	366.53
Profit before Taxation	1,794.56	939.22
Less : Taxation including Deferred Tax	771.90	32.37
Add : MAT credit entitlement	495.39	—
Profit after Taxation	1,518.05	906.85
Add : Balance brought forward	(281.67)	(1,188.52)
Surplus/(Deficit) carried to Balance Sheet	1,236.38	(281.67)

2. FINANCIAL AND PERFORMANCE REVIEW

During the year under review, the Company has produced 38,101 MT of Hot Metal as compared to 69,516 MT in the previous year. The production was adversely affected as the Mini Blast Furnace at Durgapur was shut down for repair-work/relining of the furnace, for a significant part of the year under review. The production of Portland Slag cement was 5,044 MT as compared to 5,868 MT in the previous year. There was no production of C.I.Castings in the financial year 2010-11 as the Company has on 1st August, 2010 licensed on short term basis, the Foundry Division of the Durgapur Plant of the Company to M/s. Kajaria Iron & Steel Company Private Limited for 11 months.

The Company has achieved a turnover of ₹ 27,018 Lacs as against ₹ 42,558 Lacs in the previous year which is 36.51% lower in comparison to last financial year. The profit after tax for the year stood at ₹ 1,518 Lacs compared to a profit after taxation of ₹ 907 Lacs in the previous year, registering a substantial growth over last financial year.

3. NEW PROJECTS

Your Company is setting up an Annular Sinter Plant (annual capacity 3,56,000 MT) at its existing plant location which would help to reduce operational cost of

producing hot metal and would also reduce the dependability of the Company on the high cost iron-ore lumps. This plant would further facilitate the consumption of low-priced raw materials like iron-ore fines and coke fines of the Pig Iron plant, and is expected to commence production shortly.

The Company is also setting up a waste heat recovery based 4.7 M.W. Captive Power Plant at the Durgapur plant location which will help in reducing the power cost of the Company. It is expected to start operations by later part of the current financial year. Your Directors firmly believe that with the above modernization and backward integration of the Mini Blast Furnace, the Pig iron unit will become profitable on standalone basis even if there is no operating gain from trading and other activities.

4. CHANGES IN THE CAPITAL STRUCTURE

During the year under review, the Company has increased its Authorized Capital from ₹ 2,000 Lacs to ₹ 5,000 Lacs. As on 31st March, 2011, the Authorized Share Capital of the Company is ₹ 5,000 Lacs divided into 250 Lacs Equity Shares of ₹ 10 (Rupees Ten) each and 250 Lacs Preference Shares of ₹ 10 (Rupees Ten) each.

Directors' Report

On 7th June, 2010 the Company has allotted, 15 Lacs Equity Shares of face value ₹ 10 each at a price of ₹ 43 per share (including premium of ₹ 33 per Equity Share) to the promoter group and other investors on preferential basis as per chapter VII of the SEBI (ICDR) Regulations, 2009 aggregating to ₹ 645 Lacs.

Further during the financial year 2010-11, the Company has also issued on private placement basis, 145.5 Lacs, 7% Non-Cumulative Redeemable Preference Shares of face value ₹ 10 each at par to various investors aggregating to ₹ 1,455 Lacs.

Consequent to the issue and allotment of the Equity and Preference Shares as aforesaid, the Equity Share Capital of the Company stands increased from ₹ 559.92 Lacs to ₹ 709.92 Lacs and the Preference Share Capital of the Company stands at ₹ 1,455 Lacs as on 31st March, 2011.

5. DIVIDEND

In order to meet the financial requirements for ongoing projects of the Company, your Directors have ploughed back the profits and express their inability to declare any Dividend for the financial year 2010-11.

6. DIRECTORS

Mr. T. N. Gunaseelan, Director of your Company is liable to retire by rotation and being eligible, offers himself for re-appointment. As required under Clause 49 of the Listing Agreement the particulars of Director seeking appointment/re-appointment at the ensuing Annual General Meeting is annexed as a part of the Notice of the Annual General Meeting.

On 30th January, 2011, Mr. R. S. Jalan, Chairman and Managing Director, was re-appointed as the Chairman and Managing Director of the Company by the Board for a period of 3 years. His appointment was further confirmed by the shareholders of the Company vide Postal Ballot results dated 28th February, 2011. Mr. Jalan is a Chartered Accountant, with experience in the field of Business Administration.

7. AUDITORS'

M/s. Agarwal Maheshwari & Co., Chartered Accountants, the Statutory Auditors' of the Company will retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The Board, based on the recommendation of the Audit Committee, recommends the appointment of

M/s. Agarwal Maheshwari & Co., Chartered Accountants (Firm Registration No.314030E) as Statutory Auditors' of the Company. M/s. Agarwal Maheshwari & Co., Chartered Accountants have confirmed their eligibility and willingness to act as the Statutory Auditors' of the Company and that their appointment, if made, shall be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

8. AUDIT COMMITTEE

Your Company has an Audit Committee in terms of Section 292A of the Companies Act, 1956 and that of Clause 49 of the Listing Agreement. Further details of Audit Committee are given in the Corporate Governance Report annexed as a part of the Directors' Report.

9. PUBLIC DEPOSITS AND BUY BACK OF SHARES

During the year under review, your Company has not accepted any deposits from public/shareholders in accordance with Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 and hence no amount of principal or interest was outstanding as on 31st March, 2011.

No Buy-back of shares was proposed or pending during the financial year ended on 31st March, 2011.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby confirm that :

- (i) In the preparation of the Annual Accounts for the year ended 31st March, 2011 the applicable accounting standards have been followed and there were no material departures in compliance thereto;
- (ii) 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 ended 31st March, 2011 and of the profit of the Company for the period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



Directors' Report

- (iv) The Directors have prepared the Annual Accounts on a going concern basis.

11. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in **Annexure 'A'** attached hereto and forms part of this report.

12. PARTICULARS OF EMPLOYEES

The Company had no employee during the financial year ended 31st March, 2011 who was in receipt of remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended).

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of Clause 49 of Listing Agreement, entered into with the stock exchanges, Management Discussion and Analysis Report is annexed herewith as **Annexure 'B'** to this report.

14. CORPORATE GOVERNANCE REPORT

As stipulated under Clause 49 of the Listing Agreement entered into with the stock exchanges the detailed report on Corporate Governance is annexed herewith and

marked as **Annexure 'C'** to this report and the certificate obtained from the Statutory Auditors' of the Company, regarding compliance of the conditions of Corporate Governance as stipulated in the said clause is also attached to this report.

15. AUDITORS' REPORT

The coke oven plant of the Company has been on shut down since 1st October, 2005, due to commercial reasons and the Director's are reviewing the possibilities of its technical feasibility and accordingly would provide for the depreciation on the depleted value as would be assessed by the technical experts in due course. The other points in Audit Report are self-explanatory.

16. STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. All the Directors have made the necessary disclosures as required by the various provisions of the Act and Clause 49 of the Listing Agreement.

17. NOTE OF APPRECIATION

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, financial institutions, government authorities, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff of the Company, resulting in the successful performance of the Company during the last financial year.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 28th day of May, 2011

R. S. Jalan
Chairman and Managing Director

Directors' Report

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and as part of the Directors' Report for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY

a) **energy conservation measures taken :**

- Close monitoring of operating parameters of high energy consuming equipment in plant.
- Additional load of power is scheduled during non-peak power consumption levels to keep maximum demand for power under control.

b) **additional investment and proposals, if any, being implemented for reduction of consumption of energy :**

The Company is also setting up a waste heat recovery based 4.7 M.W. Captive Power Plant at the Durgapur plant location which will help in reducing the power cost of the Company substantially. The additional investment proposed to be made in this regard would be ₹ 2,500 Lacs approximately.

c) **impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production :**

With the implementation of the above measures there will be a substantial reduction in power cost of the Company and also cost of production.

d) The plant incorporates the latest technology for the conservation of energy. Particulars with respect to Conservation of Energy are given in **Form - A** as attached.

B. TECHNOLOGY ABSORPTION

Particulars with respect to Technology Absorption are given in **Form - B** as attached.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2010 - 2011 (₹ in Lacs)	2009 - 2010 (₹ in Lacs)
Earnings	—	2,882.87
Outgo	6,670.23	4,090.21

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 28th day of May, 2011

R. S. Jalan
Chairman and Managing Director



Directors' Report

FORM – A
(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

	Current Year (2010-2011)	Previous Year (2009-2010)
A. Power and Fuel Consumption		
1. Electricity		
a] Purchased		
Unit (Lacs/KWH)	131.51	160.70
Total amount (₹ in Lacs)	555.56	596.90
Rate/Unit (₹/KWH)	4.22	3.71
b] Own generation		
i] Through Diesel Generator		
Unit (Lacs/KWH)	0.53	14.46
Unit per Ltr. of Diesel of Oil (KWH)	3.35	3.40
Cost/Unit (₹/KWH)	11.40	10.30
ii] Through Steam Turbine/Generator	–	–
Unit per Ltr. of Fuel Oil/Gas		
Cost/Unit (₹/KWH)		
2. Coal (specify quality and where used)		
(Coal used in Cement Plant)		
Quantity (MT)	76	350
Total Cost (₹ in Lacs)	2.83	10.50
Average Rate (₹/MT)	3,690	3,000
3. Furnace Oil		
Quantity (K. Ltr.)	–	–
Total Amount (₹ in Lacs)	–	–
Average Rate (₹/K. Ltr.)	–	–
4. High Speed Diesel Oil		
Quantity (K. Ltr.)	15.945	425.43
Total Amount (₹ in Lacs)	6.10	149.03
Average Rate (₹/Ltr.)	38.25	35.03
5. Others/Internal generation		
Quantity	–	–
Total Cost	–	–
Rate/Unit	–	–
B. Consumption per unit of production – per Tonne of Pig Iron		
Electricity (KWH)	345.16	231.17
Light Diesel Oil (Ltr.)	–	–
High Speed Diesel Oil (Ltr.)	0.42	6.12

Directors' Report

FORM – B (See Rule 2)

Form for disclosure of particulars with respect to technology absorption

Research and Development (R & D)

- | | | |
|--|---|--|
| 1. Specific areas in which R & D: carried out by the Company | : | Nil |
| 2. Benefits derived as a result of the above R & D | : | N.A. |
| 3. Future plan of action | : | The Company is setting up a waste heat recovery based 4.7 M.W. Captive Power Plant at Durgapur |
| 4. Expenditure on R & D | | |
| a] Capital | | |
| b] Recurring | | |
| c] Total | | Nil |
| d] Total R & D expenditure as a percentage of total turnover | | |

Technology absorption, adaptation and innovation

- | | | |
|--|---|--------------------------------------|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | : | Nil |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | : | Nil |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : | | |
| a] Technology imported | : | Sintering for Iron ore fines |
| b] Year of import | : | 2010-11 |
| c] Has technology been fully absorbed? | : | The Plant is under process to set up |
| d] If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action | : | Nil |

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 28th day of May, 2011

R. S. Jalan

Chairman and Managing Director



Management Discussion and Analysis Report

ANNEXURE 'B' TO THE DIRECTORS' REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Overview :

There is cogent evidence of improvement in the global economy after the worst ever recession that hit the financial market in 2008-09. The various strategies put in place to tide over the economic crisis are paying off and there are signs of recovery in world trade and foreign direct investment flow. The sudden spurt in the oil prices raise some concern on inflation and higher rate of interest but its impact on emerging markets including India is not very serious.

Indian Overview :

The Indian economy is on the path of recovery in 2010-11. Steady growth and fiscal consolidation have been the hallmark of the Indian economy in the financial year 2010-11. As per the latest information (Advance Estimates) of National Income for 2010-11 (at constant 2004-05 prices), released by the Central Statistical Organization, the growth of Gross Domestic Product (GDP) at factor cost is estimated at 8.6% in 2010-11, with agriculture and allied activities growing at 5.4%, industry at 8.1% and services at 9.6%.

This growth was largely driven by :

- Steady industrial growth backed by improvement in consumption demand.
- Increase in infrastructure spending.
- Substantial growth in investment activity.
- Recuperating external demand conditions.
- Stability and improvement in Financial Markets.

Global Steel Industry :

It seems that the global steel industry is slowly coming out of the grip of recession which had surrounded this industry for the last year or so. The future of global steel industry largely depends on China, the biggest steel producing and consuming nation. World economy data's suggest that the Chinese economy is poised for a decent growth in 2011-12 with more emphasis on consumption and less on investment which will boost steel demand in future. On this backdrop, the prospects of Iron & Steel industry look brighter.

Indian Steel Industry :

India is currently the 5th largest producer of crude steel in the world and is expected to become the 2nd largest producer of crude steel in the world by 2015-16. In 2010-11, India produced some 78 million tonne of steel from both primary and secondary producers. In financial year 2010, the domestic steel sector saw moderate growth, with rural demand providing a much-needed boost to the country's overall steel demand.

As per official estimates, the iron & steel industry contributes around 2% of the Gross Domestic Product (GDP) and its weight in the Index of Industrial Production (IIP) is 6.2%. Per capital consumption of steel in India is at 44-46 kgs as against an average of 195 kgs of the world. As India is a developing country most of industries still need to cover a long distance to attain maturity level. Thus, steel consumption rate in domestic market is poised to grow. India is expected to show strong growth in steel use in the coming years due to its strong domestic economy, massive infrastructure needs and expansion of industrial production but margin pressure remains a concern due to rise in input cost and non-availability of basic raw materials.

Your Company belongs to the iron and steel industry and is one of the major producers of Pig Iron in the Eastern India region. Pig iron being the basic raw material for the foundries and steel making, anything that affects the steel industry will have its one off effect on our business.

The pig iron industry was going through a rough phase in last 2-3 years due to lack of demand and rising prices of basic raw materials like iron ore and coking coal. But with the recovery and consequent growth in construction, automobile, and real estate sectors, which are major consumers of pig iron, a fair growth is expected in pig iron demand and better realization of Pig Iron Prices. Consequently, the pig iron producers will witness better capacity utilization to cater to the increasing demand, which gives a positive outlook for the industry.

2. OPPURTUNITIES AND THREATS

Opportunities :

- The long term demand of the pig iron looks healthy due to growing demand by foundry sector and thrust by government on infrastructure development.

Management Discussion and Analysis Report

- Reducing cost of production of hot metal by setting up a sinter plant which will use low priced raw material like iron-ore fines and also reduce dependability on high cost iron-ore lumps.
- Reducing power cost by installing captive power plant from waste heat.
- Good scope for backward integration by acquisition of mines of iron-ore.

Threats :

All business operations have risks and threats attached to them most of which may be beyond the control of the Company. The cost of iron ore and coking coal/met coke constitutes major cost of raw materials. The profitability of the Company therefore depends upon the market price of these raw material vis a vis price of pig iron. Both, iron ore and coking coal/coke prices have increased significantly in the year under review. Hence in near times it will be more viable for any steel plant to have captive iron ore mines. In the future backward integrated steel players are likely to enjoy better profits and cash flows in the near term, since they will have captive iron ore and coal mines.

To ensure raw material availability in long term your Company is planning a move of backward integration and evaluating options for acquisition of captive mines of iron ore and coking coal in India and abroad. With captive mining, the raw material cost will come down considerably and would also ensure continuous availability of iron ore and coking coal for the Company. As a measure of cost reduction and to increase the efficiency of the plant, further action is taken to put up an Annular sinter plant which will facilitate the use of low priced iron ore fines and lumps and will also help in reducing the operational cost of producing hot metal.

Apart from the concerns over raw material prices and availability, fluctuations in exchange rates, adverse political or regulatory developments, aggressive competition are some perceived threats.

Inflation remains the key concern. Rising input costs continue to be a serious threat to the industry. Reserve Bank too has raised its March 2011 WPI forecast from 5.5% to 7%. Prices of all key raw materials, fuel and power have increased substantially over the last year and have adversely impacted the margins. With the Reserve Bank of India raising rates several times since

March 2010 to rein inflation, the interest costs too have risen steeply further impacting the profitability of the corporate sector.

3. PERFORMANCE OF THE COMPANY (FINANCIAL, OPERATIONAL AND PRODUCT WISE)

During the financial year 2010-11 our Company produced 38,101 MT of Hot Metal as compared to 69,516 MT of hot metal in 2009-2010. Your Company sold 38,153 MT of pig iron in financial year 2010-11 to achieve a gross turnover of ₹ 27,018 Lacs and a net turnover of ₹ 26,155 Lacs in comparison to previous year 2009-2010 sale of 69,187 MT to achieve a gross turnover of ₹ 42,558 Lacs and a net turnover of ₹ 41,523 Lacs. Production of Portland Slag Cement was 5,044 MT as compared to 5,868 MT in 2009-10. The whole quantity was sold during the year and included captive consumption too.

EBITA of our Company increased from ₹ 1,782 Lacs to ₹ 3,088 Lacs in 2010-11, while the Profit after Tax increased from ₹ 907 Lacs to ₹ 1,518 Lacs. The EPS increased from ₹ 16.20 to ₹ 22.26 in the financial year 2010-11.

4. OUTLOOK

The Pig Iron market also seems to be settling down currently as the availability of raw materials have started moving once again. The positive growth in the Indian automotive sector, has in turn has opened doors for the domestic steel manufacturers. The revival of the Indian infrastructure sector is providing ample demand opportunities for steel producers, as per industry sources. There is also perceptible recovery in the foundry sector, which is one of the main consumers for the pig iron industry.

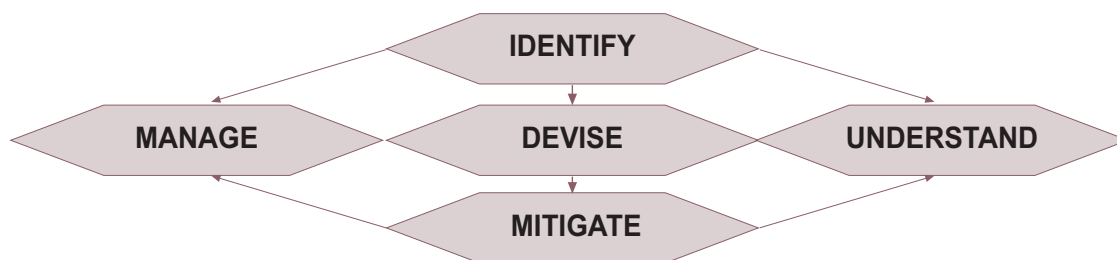
Looking forward, we anticipate continued growth in metal consumption led by India. Financial year 2011-12 is an important year for K I C with significant growth in the utilization of our production capacities, as we ramp up many of our organic expansion projects. Even when higher commodity prices are driving up input costs in our industry; we believe that our structurally low-cost assets, combined with our continuous improvement culture, will enable us to mitigate the effects of this phenomenon. With our upcoming projects and further expansion plans and the successful integration of all our production facilities, present and future, K I C is very well placed to capitalize on the positive outlook for commodities demand and to continue to deliver growth and long-term value for our shareholders.

Management Discussion and Analysis Report

5. RISK AND CONCERNS

Risk Management is a dynamic process which should constantly be able to identify most of the emerging risks and propose solutions to manage them. The risk perception also constantly varies depending on the size of the business, business segment, location and scale of business. The essence of risk management strategy

at K I C Metaliks lies in maximizing areas of control over outcome and minimizing areas where the Company has no control over outcome. K I C recognizes that business conditions are constantly changing, evolving, and entering into cycles. Following is the model adopted by the Company for managing risk :



Enterprise Risk Management Structure :

The day to day management of the risk is entrusted to the management team of the Company. Based on the philosophy of "No risks, No rewards", our management continuously keeps monitoring the level of our existence on the path of growth and within the Company's management structure, certain personnel are designated with responsibility of managing risks including ensuring compliance with laws, rules and regulations with the assistance of both internal and external resources. Further, formal reporting, escalation of risk events and control mechanisms ensure timely communication, response and proactive management of the risks.

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical for the achievement of its organizational goals. Your Company annually reviews the "List of Risk Areas" to identify potential business threats and suitable corrective actions are initiated.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

K I C Metaliks Limited has put in place an adequate system of internal controls commensurate with its size and the nature of its operations. The internal control systems have been designed to provide reasonable assurances with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding of assets from unauthorized use or losses, execution of transactions with proper authorization and ensuring compliance with corporate decisions and policies.

The internal audit function and process is designed to review the adequacy on internal control checks in the system and covers all significant areas of the Company's operations. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The management is taking necessary steps in the direction of taking appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors.

7. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONSHIP

The Company is dedicated to attain organizational excellence by developing and inspiring the true potential of Company's human capital and providing opportunities for growth, well being and enrichment. The focus continues to be in making available a talent pool, for meeting challenges in the competitive business environment. The Company conducts regular programme for training and skill development of employees and workers. The Company has in place an effective system of health, safety and environment where top priority is given to adopt safety measures for preventing accidents so as to establish a safe and congenial work environment.

As on 31st March, 2011, the Company had 213 employees as compared to 134 employees as on 31st March, 2010. Industrial relations remained cordial throughout the year.

Corporate Governance Report

ANNEXURE 'C' TO THE DIRECTORS' REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The basic tenet of Corporate Governance is to optimize returns for stakeholders by a concerted and systematic process of directing and controlling the Company. This flows from empowering the management to drive the Company forward and creation of checks and balances to ensure that the empowerment is focused towards meeting shareholder's expectations and aspirations. The overall objective is to ensure accountability, transparency, timely disclosures, equitable treatment of all shareholders and ethical corporate citizenship.

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interest of its shareholders. The Board considers itself as a Trustee of its shareholders and acknowledge its responsibilities towards them for creation and safeguarding their wealth.

At K I C Metaliks Limited (the Company), we firmly believe that good Governance should be a key driver of normal business operations and not purely as a corporate compliance requirement. There is a formal organization structure, transparent management mechanism, periodic Management Committee review and complete accountability and responsibility, paving the way for sociable and system driven growth. The Company is committed to implement the standards of good Governance and endeavors to preserve and nurture these core values in all its activities with an aim to increase and sustain its corporate value through growth and innovation.

Compliance with the SEBI Code on Corporate Governance :

In line with this, we are pleased to inform you that, as on 31st March, 2011, the Company is in compliance with all the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. The necessary

disclosures as required under Clause 49 of the Listing Agreement has been covered in this Annual Report.

2. BOARD OF DIRECTORS

2.1 The Board has a balanced combination of Executive and Non-Executive Directors having in-depth knowledge of business and is in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange where the securities issued by the Company are listed.

As on 31st March, 2011 the Board comprised of 4 Directors, of which 2 are Independent Non-Executive Directors and 2 Whole time Directors.

2.2 None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2011 have been made by the Directors.

During the financial year 2010-11, the Company held 8 Board Meetings. The maximum time-gap between any 2 consecutive meetings did not exceed 4 months. The dates of the 8 Board Meetings are as follows :

6th April, 2010; 22nd May, 2010; 7th June, 2010; 31st July, 2010; 15th November, 2010; 14th January, 2011; 14th February, 2011 and 31st March, 2011.

The composition and category of the Board of Directors and their attendance at the Board meetings held during the financial year 2010-11 and at the last Annual General Meeting, and the number of other directorships and Board Committees' membership/chairmanship in other public companies are as follows :

Name and Category of the Directors	No. of Board Meetings Attended	Attendance at last AGM	No. of Other Directorship Held #		No. of other Committee memberships held #	
			As Member	As Chairman	As Member	As Chairman
Mr. R. S. Jalan* - Chairman and Managing Director	8	Yes	Nil	Nil	Nil	Nil
Mr. P. C. Sahoo - Executive Director	6	Yes	Nil	Nil	Nil	Nil
Mr. S. K. Singhal - Non-Executive (Independent)	6	No	Nil	Nil	Nil	Nil
Mr. T. N. Gunaseelan - Non-Executive (Independent)	4	Yes	Nil	Nil	Nil	Nil

Corporate Governance Report

Notes :

- * Mr. R. S. Jalan was re-appointed as the Chairman and Managing Director of the Company w.e.f. 30th January, 2011 for a period of 3 years.
- # Excludes Directorships/Committee membership in Private Limited Companies, Companies under Section 25 of the Companies Act, 1956 and Foreign Companies and Associations.

2.3 The agenda along with explanatory notes (for Board and other meetings) are sent in advance to all Directors to get their input in the discussion.

The Board periodically reviews the compliance reports of all laws applicable to the Company. Steps are taken by the Board to rectify the instances of non-compliance, if any.

2.4 A Code of Conduct for the Board of Directors and Senior Management of the Company as adopted, is made available on the Company's website, www.kicmetaliks.com.

All the Board members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct as on 31st March, 2011.

Declaration on Compliance of the Company's Code of Conduct

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, all the Members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2011.

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 28th day of May, 2011

R. S. Jalan

Chairman and Managing Director

3. BOARD COMMITTEES

A. Audit Committee

- (a) The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.
- (b) The terms of reference of the Audit Committee includes the powers, roles & scopes and review of information in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges.
- (c) The Audit Committee consists of 3 Directors, all of whom are persons with considerable financial experience and expertise. The Committee has 2 Independent, Non-Executive Directors and one Executive Director. Mr. T. N. Gunaseelan, Chairman of the Committee is an Independent Director and was present at the last Annual General Meeting of the Company held on 20th August, 2010.
- (d) The Audit Committee met 4 times during the financial year 2010-11 i.e. on 13th May, 2010; 31st July, 2010; 15th November, 2010; 11th February, 2011 and not more than 4 months have elapsed between 2 meetings.

Present composition of the Audit Committee and details of the meetings attended by the Members are given below :

Name of the Director	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. T. N. Gunaseelan	Chairman	4	4
Mr. S. K. Singhal	Member	4	2
Mr. R. S. Jalan	Member	4	4

Corporate Governance Report

- (e) The Audit Committee invites, as and when it considers appropriate, the Auditors to be present at the Committee's meeting. The representative of Internal Auditors also attends the meeting. Ms. Ruchika Dhanuka, Company Secretary acts as the Secretary to the Committee.

B. Remuneration Committee

- (a) The Company has a Remuneration Committee of Board of Directors. All the members are Non-Executive, Independent Directors. The Remuneration Committee met once during the year on 14th January, 2011.
- (b) The composition of the Remuneration Committee as on 31st March, 2011 and attendance at the meetings of the Committee during 2010-11 is as under :

Name of the Director	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. S. K. Singhal	Chairman	1	1
Mr. T. N. Gunaseelan	Member	1	1

- (c) **Terms of Reference** : The Committee has the mandate to review and recommend compensation payable to the Executive Directors and Senior Management of the Company and other service terms and conditions applicable to them. It can fix/change sitting fees payable to Board/Committee Members for attending the meetings. The Committee shall administer the Company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans and may also review the performance of the Executive Directors.
- (d) **Remuneration Policy** of the Company is directed towards rewarding performance based on review of achievements on a periodic basis. The Company pays remuneration by way of salary, benefits, perquisites, and allowances to its Executive Directors, while Non-Executive Directors are only paid sitting fees for attending each meeting of the Board and/or Committee thereof and the same is within the limits prescribed by the Companies Act, 1956.

The details of remuneration paid to the Executive and Non-Executive Directors during the year ended 31st March 2011, are as follows :-

i) Executive Directors :

Name of the Director	Salary including Benefits/ Allowances, etc. (₹)	Period of Contract	
		From	To
Mr. R. S. Jalan	2,24,000	31.01.2011	29.01.2014
Mr. P. C. Sahoo	8,78,400	16.01.2009	15.01.2012
Total	11,02,400		

The above remuneration of Mr. R. S. Jalan, Chairman and Managing Director was reviewed and recommended by the Remuneration Committee on 14th January, 2011 to the Board and was subsequently approved by the shareholders via Postal Ballot results dated 28th February, 2011.

The tenure of office of Mr. R. S. Jalan, Chairman and Managing Director is for a period of 3 years w.e.f 30th January, 2011. No severance fees is payable to the Executive Directors on termination of employment. The contract may be terminated by either party giving the other party 3 month's notice. The Company does not also have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.

ii) Non-Executive Directors :

Name	Sitting Fees (₹)*	Commission (₹)	No. of shares/convertible debentures held
Mr. T. N. Gunaseelan	Nil	Nil	Nil
Mr. S. K. Singhal	Nil	Nil	Nil

Note :

* In view of the past losses of the Company, Mr. T. N. Gunaseelan and Mr. S. K. Singhal have waived their sitting fees for Board Meetings and Audit Committee Meetings.

Corporate Governance Report

C. Shareholders'/Investors' Grievance Committee

The terms of reference of Shareholder's/Investor's Grievance Committee is to address the investors complaints regarding non-receipt of Annual Reports, non-receipt of declared Dividends, issue of duplicate certificates, transfer and transmission of shares and other allied transactions and ensure an expeditious share transfer process. The Committee also evaluates performance and service standards of Registrar and Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for investors. The Registrar and Share Transfer Agent address the shareholders/investors grievance within a period of 15 days from the date of receipt.

During the year 2010-11, the Committee met 4 times on 22nd May, 2010; 31st July, 2010; 15th November, 2010 and 11th February, 2011.

The composition of the Shareholder's Grievance Committee and the attendance of Member Directors at its meetings during the financial year 2010-11 are as follows :

Name of the Director	Position held	No. of Investor Grievance Committee Meetings	
		Held	Attended
Mr. T. N. Gunaseelan	Chairman	4	3
Mr. S. K. Singhal	Member	4	2
Mr. R. S. Jalan	Member	4	4

Name, designation and address of Compliance Officer :

Ms. Ruchika Dhanuka

Company Secretary

K I C Metaliks Limited

"Sir RNM House" 3B, Lal Bazar Street

4th Floor, Room No. 2, Kolkata - 700 001

West Bengal, India

Phone : 91 33 2210 3301

Fax : 91 33 4001 9636

E-mail : companysecretary@kicmetaliks.com

Shareholder/Investor Complaints :

Particulars	Nos.
Number of complaints pending as on 1st April, 2010	—
Number of complaints received during 1st April, 2010 to 31st March, 2011	9
Number of complaints disposed off during the year ended on 31st March, 2011	9
Number of complaints pending as on 31st March, 2011	—

D. Share Transfer Committee

The Board has constituted the Share Transfer Committee which as on 31st March, 2011, comprised of 3 Directors and the Company Secretary acts as the Secretary of the Committee.

The Committee deals with various matters such as :

- To review and note all matters relating to the registration of transfer and transmission of shares and debentures, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced.
- To review dematerialisation and re-materialisation of the shares of the Company.

During the year 2010-11, the Committee met 10 times on 15th May, 2010; 31st July, 2010; 16th August, 2010; 15th September, 2010; 30th September, 2010; 30th October, 2010; 31st December, 2010; 15th January, 2011; 15th February, 2011 and 15th March, 2011.

Corporate Governance Report

The composition of the Share Transfer Committee and the attendance of Member Directors at its meetings during the financial year 2010-11 are as follows :

Name of the Director	Position held	No. of Share Transfer Committee Meetings	
		Held	Attended
Mr. R. S. Jalan	Chairman	10	10
Mr. T. N. Gunaseelan	Member	10	7
Mr. P. C. Sahoo	Member	10	9

4. GENERAL BODY MEETINGS

a) Details regarding venue, date and time of last 3 Annual General Meetings of the Company are as follows :

Financial Year	Date	Time	Location
2009-10	20.08.2010	10:00 A.M.	Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani Kolkata - 700 017
2008-09	22.09.2009	10:00 A.M.	Calcutta Chamber of Commerce 18H, Park Street, Kolkata - 700 017
2007-08	25.08.2008	10:00 A.M.	Calcutta Chamber of Commerce 18H, Park Street, Kolkata - 700 017

b) Details regarding Special Resolutions passed in last 3 Annual General Meetings are as follows :

Shareholder's Meeting	Business requiring Special Resolution
23rd Annual General Meeting held on 20.08.2010	Nil
22nd Annual General Meeting held on 22.09.2009	Ratification of appointment of Mr. P.C.Sahoo as Executive Director of the Company for a period of 3 years w.e.f 16th January, 2009
21st Annual General Meeting held on 25.08.2008	Nil

c) Details regarding Resolutions passed in 2010-11 through Postal Ballot :

During the year 2010-11, 2 Postal Ballot results were announced on **10th July, 2010** and **28th February, 2011**.

i) On **10th July, 2010** the following Resolutions were passed through Postal Ballot :-

1. Special Resolution for Alteration of Main Object Clause of the Memorandum of Association of the Company.
2. Ordinary Resolution for Increase in Borrowing Power beyond existing limits from ₹ 200 crore to ₹ 500 crore.

Details relating to the voting pattern are as follows :

Resolutions	No. of Valid Ballot Forms Received			Votes Cast		
	For	Against	Total	For	Against	Total
Resolution-1	25	2	27	34,75,014 (99.99%)	5 (0.01%)	34,75,019 (100%)
Resolution-2	21	6	27	34,75,009 (99.99%)	10 (0.01%)	34,75,019 (100%)

The Company had appointed Ms. Swati Bajaj of M/s. PS & Associates, Company Secretaries in whole time practice as Scrutinizer for the purpose of the Postal Ballot exercise.

ii) On **28th February, 2011** the following Resolutions were passed through Postal Ballot :-

1. Ordinary Resolution for Increase of Authorized Share Capital of the Company and amendment in Memorandum of Association.
2. Special Resolution for Issue of Redeemable Preference Shares to various investors.
3. Ordinary Resolution for approving the re-appointment of Mr. R. S. Jalan as the Chairman and Managing Director of the Company and the overall limits of remuneration payable to him.

Corporate Governance Report

Details relating to the voting pattern are as follows :

Resolutions	No. of Valid Ballot Forms Received			Votes Cast		
	For	Against	Total	For	Against	Total
Resolution-1	24	2	26	3,629,526 (99.99%)	4 (0.01%)	3,629,530
Resolution-2	24	2	26	3,629,526 (99.99%)	4 (0.01%)	3,629,530
Resolution-3	24	2	26	3,629,526 (99.99%)	4 (0.01%)	3,629,530

The Company had appointed Mr. Rakesh Agarwal of M/s. Rakesh Agarwal & Co., Practicing Company Secretaries as Scrutinizer for the purpose of the Postal Ballot exercise.

The Company has followed the procedure as prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 for conducting the Postal Ballot. At the ensuing Annual General Meeting there is no Resolution proposed to be passed by Postal Ballot.

d) Extraordinary General Meeting :

Location, date and time of Extra Ordinary General Meeting of the shareholders of the Company held in 2010-11 is given below :

Financial Year	Date	Time	Location
2010-11	03.05.2010	11:00 A.M.	Bhartiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017

5. OTHER DISCLOSURES

- The particulars of transactions between the Company and its related parties as per Accounting Standard - 18 are disclosed in Notes of Accounts (Note No.8) of Schedule 18(B) to Accounts in the Annual Report. There are no materially significant related party transactions that may have had potential conflict of interest with the Company at large.
- The Register of Contracts is placed at the meetings of the Board of Directors as per the requirements of the Companies Act, 1956 and all the related party transactions that has been entered into by the Company during the year under review, requiring entry in the Register of Contracts as maintained under the provisions of Section 301 of the Companies Act, 1956 have been duly entered therein.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standards.
- The Company has established a robust risk assessment and minimization procedure and the same is reviewed regularly by the Audit Committee and the Board of Directors.
- During the financial year ended 2010-11, 15,00,000 Equity Shares and 1,45,00,000 Redeemable Preference Shares have been issued to promoter and other investors. The relevant details have already been provided in the Director's Report.
- The relevant disclosures on the Remuneration of Directors have been included under "Remuneration Policy" in this report.
- Management Discussion and Analysis Report forms a part of the Director's Report.
- The Company has duly complied with the requirements of the regulatory authorities on Capital Market. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years.
- The Board has received disclosures from Senior Management Personnel relating to material financial and commercial transactions in which they and/or their relatives have personal interest.
- The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to non-mandatory requirements, the Company has set up a Remuneration Committee.

Corporate Governance Report

- k) Though the Company does not have a Whistle Blower Policy at present, the Company promotes ethical behavior in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event, which is against the Company's interest.
- l) The Company does not have any subsidiary.
- m) Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

6. MEANS OF COMMUNICATION :

(a) Quarterly Results :	At Board of Directors' Meeting held on : 31st July, 2010 15th November, 2010 14th February, 2011
(b) (i) Which newspapers normally published in : English Bengali	Business Standard (All editions) Economic Times (All editions) Times of India (Kolkata edition) Arthik Lipi (Kolkata edition)
(ii) Any Website displayed	www.kicmetaliks.com, www.bseindia.com
(c) Whether Website also displays official news releases	Yes
(d) Whether presentations made to institutional investors or analysts	No

7. GENERAL SHAREHOLDER INFORMATION :

(a) AGM : Date and day	26th August, 2011(Friday)
Time	10:00 A.M.
Venue	"Rotary Sadan", 94/2, Chowringee Road, Lala Lajpat Rai Sarani, Kolkata - 700 020
(b) Financial Calendar (tentative and subject to change)	
Financial reporting for the quarter ending 30th June, 2011	By End July, 2011
Financial reporting for the quarter ending 30th September, 2011	By End October, 2011
Financial reporting for the quarter ending 31st December, 2011	By End January, 2012
Financial reporting for the year ending 31st March, 2012	By End May, 2012
(c) Book Closure period	From 20th August, 2011 to 26th August, 2011 (both days inclusive)
(d) Dividend Payment Date	The Directors have not recommended any dividend for the financial year 2010 - 2011
(e) Listing on Stock Exchanges The Company's securities are currently listed at "The Bombay Stock Exchange Limited" (BSE)	Scrip Code – 513693 Scrip ID – KAJARIR
(f) Listing and Custodian Fees for the financial year 2011-12 The Company has paid the Listing Fees for the financial year 2011-2012 to the above Stock Exchange. The Company has also paid custodian fees for the financial year 2011-12 to National Securities Depository Limited and Central Depository Services (India) Limited	ISIN No. – INE 434C01019 Depository Connectivity – NSDL and CDSL

Corporate Governance Report

(g) **Market Price Data :**

High/low (based on the closing prices) and number of shares traded during each month in the financial year 2010-11 on the Bombay Stock Exchange is given below :

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	BSE Sensex Close
April, 2010	120.60	46.00	108.80	16,59,941	17,558.71
May, 2010	120.00	98.10	117.00	4,66,850	16,944.63
June, 2010	130.30	109.50	112.45	2,92,393	17,700.90
July, 2010	124.00	92.30	106.75	94,503	17,868.29
August, 2010	251.85	113.00	251.45	15,26,355	17,971.12
September, 2010	330.00	251.05	299.25	7,18,982	20,069.12
October, 2010	335.00	292.60	301.15	3,51,499	20,032.34
November, 2010	313.70	231.70	306.55	2,34,137	19,521.25
December, 2010	321.00	261.25	266.55	2,20,089	20,509.09
January, 2011	307.00	225.00	233.75	41,332	18,327.76
February, 2011	250.00	177.20	183.45	89,115	17,823.40
March, 2011	219.00	168.00	205.15	4,28,291	19,445.22

(h) **Performance of the Company in comparison with Broad based indices :**

Comparison of K I C Metaliks Limited Stock price with broad based indices-BSE Sensex

Particulars	K I C Metaliks stock price v/s BSE Sensex	
	K I C Metaliks Limited Share Price	BSE Sensex
On 1st April, 2010	50.85	17,692.62
On 31st March, 2011	205.15	19,445.22
% change	(+) 303.44	(+) 9.90

(i)	Registrar and Transfer Agents	M/s. S. K. Computers 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 West Bengal, India Phone : 91 33 2219 4815/6797
(j)	Share Transfer System	Physical shares lodged for transfer/dematerialization are normally processed and confirmed within 15 days from the date of lodgment, if the documents are clear in all respects by the Share Transfer Committee constituted by the Board. The Directors of the Company are severally empowered to approve the transfers. All requests for dematerialization of shares are processed and the confirmation is given within 15 days to the depositories.

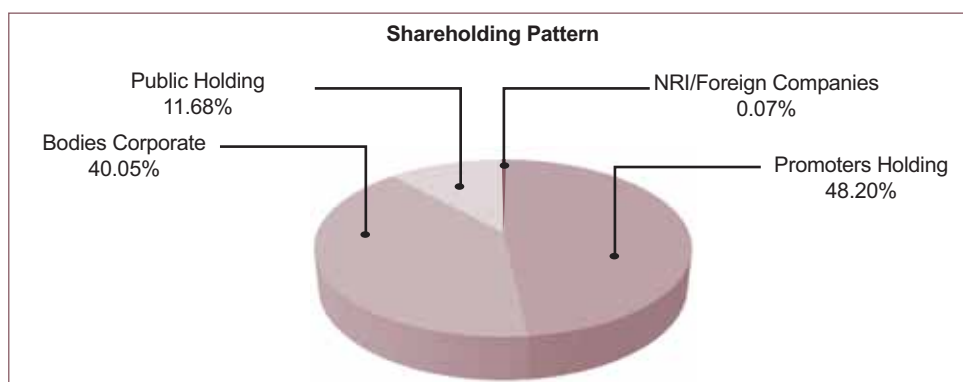
Corporate Governance Report

(k) **Distribution of Shareholding as on 31st March, 2011 :**

Range or Ordinary Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	2,018	87.93	2,69,055	3.80
501 - 1000	103	4.47	84,724	1.19
1001 - 2000	63	2.75	96,346	1.36
2001 - 3000	17	0.74	44,990	0.63
3001 - 4000	11	0.48	39,454	0.56
4001 - 5000	11	0.48	52,866	0.74
5001 - 10000	24	1.05	1,81,855	2.56
10001 -50000	35	1.53	7,60,172	10.71
50001-100000	6	0.26	4,04,299	5.69
100001 and Above	7	0.31	51,65,439	72.76
Total	2,295	100.00	70,99,200	100.00

(l) **Category wise Shareholding as on 31st March, 2011 :**

Name of the Shareholders	No. of Shares Held	% Holding
Promoters Holding	34,21,712	48.20
Non-Promoters Holding		
- Financial Institutions	—	0.00
- Bodies Corporate	28,43,328	40.05
- NRI/Foreign Companies	4,841	0.07
Indian Public	8,29,319	11.68
Total	70,99,200	100



(m) **Dematerialization of Shares and Liquidity :**

Particulars of Shares	Equity Shares of ₹ 10/- each	
	Number	% of Total
Dematerialized Form		
a) NSDL	51,52,050	72.57
b) CDSL	18,29,795	25.77
Sub Total	69,81,845	98.34
Physical Form	1,17,355	1.65
Total	70,99,200	100.00

The Shares of the Company are compulsorily traded in dematerialized form on the Bombay Stock Exchange Limited. Hence, the shares enjoy enough liquidity in the market.

Corporate Governance Report

(n)	Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely equity	Nil
(o)	Plant Location : Pig Iron and Cement Plant	Raturia, Angadpur, Durgapur - 713 215 West Bengal
(p)	Address for Correspondence	Registered Office : "Sir RNM House", 3B Lal Bazar Street 4th Floor, Room No.2, Kolkata - 700 001 West Bengal, India Phone : 91 33 22103301/22135606 Fax : 91 33 40019636 Email : admin@kicmetaliks.com

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 28th day of May, 2011

R. S. Jalan

Chairman and Managing Director

Auditors' Certificate on compliance of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

We have examined the compliance of conditions of Corporate Governance by K I C Metaliks Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding 1 month as at 31st March, 2011 against the Company as per records maintained by the Shareholders'/Investors' Grievance Committee.

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

For **AGARWAL MAHESWARI & CO.**

Firm Registration No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No.51484

Place : Kolkata

Dated : The 28th day of May, 2011



CEO/CFO Certification

Certificate under Clause 49(v) of the Listing Agreement with Stock Exchange(s)

I certify that in respect of the Financial Statements for the financial year ended 31st March, 2011 that :

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee :
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 28th day of May, 2011

Mukesh Bengani

Chief Financial Officer

Financial Section

Auditors' Report

To the Members of
K I C METALIKS LIMITED

1. We have audited the attached Balance Sheet of **K I C Metaliks Limited** as at 31st March, 2011 and the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by in this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, the Profit and

Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- v. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and notes thereon and *subject to note 18B(9) for non provision of depreciation on Coke Oven plant for ₹ 3,571,388 (cumulative unprovided amount since 01.04.2005 beings ₹ 1,8281,718) and had it been provided on regular basis the profit for the year would have been lower by the equivalent amount of ₹ 3,571,388 and the reserve of the Company would have been lower by ₹ 18,880,168*, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AGARWAL MAHESWARI & CO.**
Firm Registration No. 314030E
Chartered Accountants

D. R. Agarwal
Partner

Place : Kolkata

Dated : The 28th day of May, 2011

Membership No.51484

Annexure to the Auditors' Report

ANNEXURE TO THE AUDITORS' REPORT

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
 - b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
 - c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
2. According to information supplied to us and to the best of our knowledge and belief and on the basis of examination of such records as made available to us,
 - a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The Company has not accepted/granted any loans during the year from/to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness was noticed in the internal control system.
5.
 - (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time in the opinion of the management.
6. The Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
7. In our opinion, the Company has an internal audit system which needs to be further strengthened in order to make it commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company relating to the manufacture of cement pursuant to notification of central government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and on the basis of information received, we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the central government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any other products of the Company.
9.
 - a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.

Annexure to the Auditors' Report

- b. On the basis of our examination of the documents and records, the disputed dues, which have neither been provided in the books not deposited with appropriate authorities are as under

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Service tax on Transportation (GTA)	5,06,897	2006	Joint Commissioner
Central Excise	CENVAT used	9,27,007	2005	Joint Commissioner
Central Excise Act, 1944	Excise Duty	1,17,81,251	2006	CESTA Tribunal

- | | |
|--|--|
| <p>10. The Company has no accumulated losses as at 31st March, 2011. The Company has not incurred any cash losses in the financial year under report.</p> <p>11. Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institutions or banks.</p> <p>12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.</p> <p>14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.</p> <p>15. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from bank or financial institutions.</p> <p>16. According to the information and explanations received, the term loans were applied for the purpose for which the loans were obtained.</p> <p>17. Based on our examination of the records and according</p> | <p>to the information and explanations received, the Company has not applied short term borrowings for long term use.</p> <p>18. During the year, the Company has allotted 7,50,000 (Seven Lac Fifty Thousand Only) equity shares of ₹ 10 each at a premium of ₹ 33 on preferential basis to the companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The price at which, these equity shares have been issued has been determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (ICDR Regulations), which in our opinion, is not prejudicial to the interest of the Company.</p> <p>19. The Company has not issued any debentures during the year.</p> <p>20. The Company has not raised any money by way of public issue during the year.</p> <p>21. As per the information and explanations given to us, no fraud on or by the Company has been noticed during the year.</p> |
|--|--|

For **AGARWAL MAHESWARI & CO.**
Firm Registration No. 314030E
Chartered Accountants

D. R. Agarwal
Partner

Place : Kolkata
Dated : The 28th day of May, 2011 Membership No.51484

Balance Sheet

AS AT 31ST MARCH, 2011

(Amount in ₹)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	1	216,492,000	55,992,000
Share Application Money towards Preference Shares		66,900,000	—
Reserves and Surplus	2	331,025,727	157,887,413
		614,417,727	213,879,413
Loan Funds			
Secured Loans	3	60,250,538	280,268,417
Unsecured Loans		1,648,658,209	907,756,020
Deferred Payment Credit	4	5,742,843	2,858,213
Deferred Tax Liabilities (Net)		41,418,622	—
(Refer Note No. 5 of Schedule 18)			
Total		2,370,487,939	1,404,762,063
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		854,135,665	796,096,562
Less : Depreciation		382,188,577	341,390,697
Net Block		471,947,088	454,705,865
Capital Work-in-Progress		741,940,246	145,637,075
		1,213,887,334	600,342,940
Current Assets Loans and Advances			
Inventories	6	868,660,626	1,749,325,196
Sundry Debtors	7	393,153,473	1,087,455,683
Cash and Bank Balances	8	21,775,563	86,670,859
Other Current Assets	9	161,013,749	34,652,836
Loans and Advances	10	93,026,205	874,475,599
		1,537,629,616	3,832,580,173
Less : Current Liabilities and Provisions			
- Current Liabilities	11	333,626,225	3,042,830,959
- Provisions	12	47,402,786	13,497,126
Net Current Assets		1,156,600,605	776,252,088
Profit and Loss Account (Debit Balance as per Annexed Account)		—	28,167,035
Total		2,370,487,939	1,404,762,063
Accounting Policies and Notes on Accounts	18		

Schedule 1 to 12 and Schedule 18 referred to above form part of the Balance Sheet

In term of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Registration No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2011

Ruchika Dhanuka
Company Secretary

For and on behalf of the Board of Directors

R. S. Jalan
Chairman and Managing Director

T. N. Gunaseelan
Director

Profit and Loss Account FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
INCOME			
Sales		2,701,823,740	4,255,767,294
Less : Excise Duty		86,371,196	103,517,752
Net Sales		2,615,452,544	4,152,249,542
Other Income	13	50,329,339	20,280,020
Increase/(Decrease) in Stock	14	(768,082,788)	1,300,586,356
Total		1,897,699,095	5,473,115,918
EXPENDITURE			
Raw Material Consumed	15	952,796,402	1,401,320,949
Purchase for Trading		463,095,715	3,614,721,789
Operational, Selling & Administrative Expenses	16	177,546,439	280,652,159
Interest Expenses	17	88,153,743	47,654,522
Depreciation		41,196,184	36,653,084
		1,722,788,483	5,381,002,503
Less : Captive Consumption of Cement for Capital Work-in-Progress		4,545,240	1,808,800
Total		1,718,243,243	5,379,193,703
PROFIT BEFORE TAX		179,455,852	93,922,215
Less : Tax Expenses			
Current Tax [Including ₹ 4,370 (₹ 59,304) for earlier years]		35,770,818	3,237,304
Deferred Tax Charge		41,418,622	—
Add : MAT Credit Entitlement (Refer Note No. 6 of Schedule 18)		49,538,937	—
PROFIT AFTER TAX		151,805,349	90,684,911
Add : Balance brought forward		(28,167,035)	(118,851,946)
Balance Carried to Balance Sheet		123,638,314	(28,167,035)
Earning Per Share in (₹)			
- Basic and Diluted		22.26	16.20
(Refer Note No. 14 of Schedule 18)			
Accounting Policies and Notes on Accounts	18		

Schedules 13 to 17 and Schedule 18 referred to above form part of the Profit and Loss Account

In term of our report of even date attached
For **AGARWAL MAHESWARI & CO.**
Firm Registration No. 314030E
Chartered Accountants

D. R. Agarwal
Partner
Membership No. 051484
Place : Kolkata
Dated : The 28th day of May, 2011

Ruchika Dhanuka
Company Secretary

For and on behalf of the Board of Directors

R. S. Jalan
Chairman and Managing Director

T. N. Gunaseelan
Director

Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

	For the year ended 31.03.2011	For the year ended 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes and Extraordinary items	179,455,852	93,922,215
Adjustments for :		
Depreciation	41,196,184	36,653,084
Loss on Sale of Fixed Assets	176,564	172,114
Profit on Sale of Fixed Assets	—	(80,432)
Interest Income	(14,288,015)	(3,501,615)
Interest Expenses	88,153,743	47,654,522
	115,238,476	80,897,673
Operating Profit before Working Capital Changes	294,694,328	174,819,888
Adjustments for :		
(Increase)/Decrease in Inventories	880,664,570	(1,427,736,289)
(Increase)/Decrease in Sundry Debtors	694,302,210	(1,022,589,019)
(Increase)/Decrease in Other Current assets	(126,360,913)	(14,895,223)
(Increase)/Decrease in Loans and Advances	781,449,394	(841,404,285)
Increase/(Decrease) in Current Liabilities and Provisions	(2,675,299,074)	2,740,458,992
	(445,243,813)	(566,165,824)
Cash generated from Operations	(150,549,485)	(391,345,936)
Direct Taxes (Net)	(27,650,503)	(3,237,304)
Net Cash from Operating Activities	(178,199,988)	(394,583,240)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work-in-Progress	(655,349,926)	(124,694,197)
Sale of Fixed Assets	432,784	3,422,116
Interest Received	14,288,015	3,501,615
Net Cash from Investing Activities	(640,629,127)	(117,770,466)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital including Premiums	210,000,000	—
Proceeds of Share Application	66,900,000	—
Increase/(Decrease) in Working Capital	(202,954,310)	(41,404,570)
Repayment of Long Term Borrowings	(17,063,569)	(44,422,273)
Increase in Unsecured Loan	740,902,189	709,234,975
Increase in Deferred Payment Credit	2,884,630	(3,610,232)
Increase in Deferred Tax Liability (Net)	41,418,622	—
Interest Expenses	(88,153,743)	(47,654,522)
Net Cash from Financing Activities	753,933,819	572,143,378

Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

	For the year ended 31.03.2011	For the year ended 31.03.2010
Net Increase/(Decrease) in Cash and Cash Equivalents	(64,895,296)	59,789,672
Cash and Cash Equivalents as at the beginning of the year	86,670,859	26,881,187
Cash and Cash Equivalents as at the end of the year	21,775,563	86,670,859

Notes :

- (i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on "Cash Flow Statement" notified in the Companies (Accounting Standard) Rules, 2006.
- (ii) Cash and Cash Equivalents represents Cash and Bank Balances.
- (iii) Previous Year figures have been re-grouped/re-classified, wherever necessary.

In term of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Registration No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2011

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

Ruchika Dhanuka

Company Secretary

T. N. Gunaseelan

Director

Auditors' Certificate

We have examined the attached Cash Flow Statement of **K I C Metaliks Ltd.** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 28th May, 2011 to the members of the Company.

For **AGARWAL MAHESWARI & CO.**

Firm Registration No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Place : Kolkata

Dated : The 28th day of May, 2011

Membership No. 051484

Schedules to the Balance Sheet AS AT 31ST MARCH, 2011

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1 SHARE CAPITAL		
Authorised		
2,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each	250,000,000	150,000,000
2,50,00,000 (50,00,000) Preference Shares of ₹ 10 each	250,000,000	50,000,000
	500,000,000	200,000,000
Issued, Subscribed & Paid-up		
70,99,200 (55,99,200) Equity Shares of ₹ 10 each fully paid-up	70,992,000	55,992,000
1,45,50,000 (Nil) 7% Redeemable Non-Cumulative Preference Shares of ₹ 10 each fully paid-up	145,500,000	—
	216,492,000	55,992,000

SCHEDULE - 2 RESERVES AND SURPLUS		
A. Securities Premium Account		
As per Last Year	127,887,413	127,887,413
Addition during the year 15,00,000 equity shares issued on preferential basis at a premium of ₹ 33/- per share during the year ended 31.03.2011	49,500,000	—
	177,387,413	127,887,413
B. Capital Redemption Reserve		
As per Last Year	30,000,000	30,000,000
C. Profit and Loss Account		
Credit Balance as per Annexed Account	123,638,314	—
	331,025,727	157,887,413

SCHEDULE - 3 SECURED LOANS		
A. Term Loans		
i) State Bank of India	—	17,063,569
B. Working Capital		
i) Canara Bank	—	100,907,397
ii) State Bank of India	60,250,538	162,297,451
	60,250,538	280,268,417

Note :

The working Capital Loan is secured by first charge by way of hypothecation of Current Assets of the Company comprising stock of Raw Materials, Stock-in-Process, Finished Goods, Stores and Book Debts, both present and future and first charge on Fixed Assets of the company at village Raturia, Durgapur and personal guarantee of Managing Director of the Company.

SCHEDULE - 4 DEFERRED PAYMENT CREDIT		
For Purchase of Motor Car and Heavy Commercial Vehicles (Secured by way of hypothecation of respective assets)	5,742,843	2,858,213
	5,742,843	2,858,213

Schedules to the Balance Sheet AS AT 31ST MARCH, 2011

(Amount in ₹)

SCHEDULE - 5 FIXED ASSETS										
Description	GROSS BLOCK					DEPRECIATION				NET BLOCK
	Cost as at 01.04.10	Additions/ Capitalised during the year	Deduction Adjustment during the year	Total Cost as at 31.03.11	Upto 01.04.10	For the Year	Adjustment during the year	Upto 31.03.11	As on 31.03.11	As on 31.03.10
Pig Iron Division										
Lease hold Land	18,719,257	-	-	18,719,257	3,920,242	374,385	-	4,294,627	14,424,630	14,799,015
Building - Factory	57,375,435	-	-	57,375,435	23,258,092	1,916,340	-	25,174,432	32,201,003	34,117,343
- Other	2,723,756	-	-	2,723,756	189,995	44,397	-	234,392	2,489,364	2,533,761
Plant and Machinery	475,883,759	37,519,257	-	513,403,016	226,152,276	28,346,775	-	254,499,051	258,903,965	249,731,483
Electrical Installations	85,163,307	88,625	-	85,251,932	48,427,106	4,498,340	-	52,925,446	32,326,486	36,736,201
Coke Oven Plant	67,639,916	-	-	67,639,916	1,397,392	-	-	1,397,392	66,242,524	66,242,524
Heavy Commercial Vehicles	13,157,659	5,275,284	-	18,432,943	4,986,341	1,691,640	-	6,677,981	11,754,962	8,171,318
Other Vehicles	4,791,514	1,023,492	1,007,652	4,803,354	2,448,828	451,561	398,304	2,502,085	2,305,269	2,342,686
Office Equipments	2,154,502	94,893	-	2,249,395	1,252,143	102,582	-	1,354,725	894,670	902,359
Computers	2,172,076	513,905	-	2,685,981	1,947,158	375,764	-	2,322,922	363,059	224,918
Furniture and Fixtures	3,787,908	116,375	-	3,904,283	3,393,238	242,648	-	3,635,886	268,397	394,670
Foundry Division										
Building and Shed- Factory	25,648,279	-	-	25,648,279	7,731,709	856,653	-	8,588,362	17,059,917	17,916,570
Plant and Machinery	9,398,973	14,414,924	-	23,813,897	4,453,457	935,324	-	5,388,781	18,425,116	4,945,516
Electrical Installations	824,125	-	-	824,125	466,532	43,514	-	510,046	314,079	357,593
Furniture and Fixtures	14,731	-	-	14,731	9,909	932	-	10,841	3,890	4,822
Cement Division										
Building and Shed - Factory	4,708,009	-	-	4,708,009	1,454,450	157,248	-	1,611,698	3,096,311	3,253,559
Plant and Machinery	21,933,356	-	-	21,933,356	9,901,829	1,158,081	-	11,059,910	10,873,446	12,031,527
Total	796,096,562	59,046,755	1,007,652	854,135,665	341,390,697	41,196,184	398,304	382,188,577	471,947,088	454,705,865
Previous Year	790,249,148	10,524,420	4,677,006	796,096,562	305,900,821	36,653,084	1,163,208	341,390,697	454,705,865	-
Capital Work in Progress									741,940,246	145,637,075

Schedules to the Balance Sheet AS AT 31ST MARCH, 2011

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 6 INVENTORIES		
(As valued and Certified by the Management at Cost or Net Realisable Value, whichever is lower)		
Raw Materials	390,791,738	301,681,168
Finished Goods	118,522,237	113,456,297
Traded Goods	330,695,789	1,308,145,770
Stores and Spares	28,650,862	26,041,961
	868,660,626	1,749,325,196

SCHEDULE - 7 SUNDRY DEBTORS		
(Unsecured, Considered Good)		
(i) Debts outstanding for a period exceeding six months	6,231,713	4,419,571
(ii) Other Debts	386,921,760	1,083,036,112
	393,153,473	1,087,455,683

SCHEDULE - 8 CASH AND BANK BALANCES		
Cash in hand	1,258,510	1,224,474
Balances with Scheduled Banks		
- In Current Account	2,313,044	37,127,888
- In Fixed Deposit Account (Included accrued Interest) (Pledged with Bank as Margin Money for Letter of Credit)	18,204,009	48,318,497
	21,775,563	86,670,859

SCHEDULE - 9 OTHER CURRENT ASSETS		
Balance with Excise Authorities	56,219,167	21,363,104
Advance Income Tax and TDS	41,176,414	4,702,075
Balance with Port Trust	2,362,375	6,046,874
Balance with State Sales Tax Authority	11,716,856	2,540,783
MAT Credit Entitlement	49,538,937	—
	161,013,749	34,652,836

SCHEDULE - 10 LOANS AND ADVANCES (UNSECURED)		
(Considered Good)		
Advances to Suppliers Recoverable in Cash or in Kind or for Value to be Received	76,820,148	706,185,435
Advance for Purchase of Capital Assets	5,224,316	167,270,305
Security Deposit	10,981,741	1,019,859
	93,026,205	874,475,599

Schedules to the Balance Sheet AS AT 31ST MARCH, 2011

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 11 CURRENT LIABILITIES		
Sundry Creditors		
For Goods	31,622,282	2,539,742,562
For Others	86,677,232	116,341,926
Advance from Customers	162,418,794	362,760,384
Statutory Liabilities	39,798,414	23,986,087
Current Account with Scheduled Banks (Due to excess Issue of Cheque)	13,109,503	—
	333,626,225	3,042,830,959

SCHEDULE - 12 PROVISIONS		
Provision for Excise Duty	6,248,898	8,509,333
Provision for Gratuity	2,089,440	1,602,351
Provision for Taxation	38,944,448	3,178,000
Provision for Fringe Benefit Tax	120,000	207,442
	47,402,786	13,497,126

Schedules to the Profit and Loss Account FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

	For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE - 13 OTHER INCOME		
Export Benefits	—	3,155,472
Gain on Foreign Exchange Fluctuation	23,099,695	12,069,640
Interest Earned (TDS ₹ 14,11,054, Previous year ₹ 365,586)	14,288,015	3,501,615
Provision of Gratuity written back due to Actuarial Gain on Gratuity	—	838,061
Sundry Liabilities relating to earlier year written back	920,479	555,385
Profit on Sale of Fixed Assets	—	80,432
Lease Rental (TDS ₹ 240,000, Previous year Nil)	2,400,000	—
Miscellaneous Receipts	9,621,150	79,415
	50,329,339	20,280,020

SCHEDULE - 14 INCREASE/(DECREASE) IN STOCK		
Closing Stock of Finished Goods	118,522,237	113,456,297
Traded Goods	330,695,789	1,308,145,770
	449,218,026	1,421,602,067
Less : Opening Stock of Finished Goods	113,456,297	117,282,747
Traded Goods	1,308,145,770	3,732,964
	1,421,602,067	121,015,711
Less : Transfer to Raw Material	204,301,253	—
	1,217,300,814	121,015,711
Increase/(Decrease) in Stock	(768,082,788)	1,300,586,356

SCHEDULE - 15 RAW MATERIALS CONSUMED		
Opening Stock	301,681,168	174,004,816
Add : Purchases (Included Procurement Expenses)	767,205,099	1,492,368,350
Transfer from Traded Goods	204,301,253	—
Coke Conversion Charges	70,400,620	36,628,951
	1,343,588,140	1,703,002,117
Less : Closing Stock	390,791,738	301,681,168
	952,796,402	1,401,320,949

Schedules to the Profit and Loss Account FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in ₹)

	For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE - 16 OPERATIONAL, SELLING AND ADMINISTRATIVE EXPENSES		
Consumption of Stores and Spare Parts	17,025,867	25,463,363
Excise Duty and Cess on Stock	(2,260,435)	(419,065)
Power and Fuel	53,803,530	80,323,965
Salary, Wages, Allowances and Bonus	37,617,002	30,861,259
Contribution to Provident Fund and ESIC	2,407,096	2,448,610
Workmen and Staff Welfare	2,221,600	868,870
Repairs to Plant and Machinery	1,272,811	2,076,105
Repairs to Building	460,123	122,256
Repairs to Others	64,863	75,707
Water Charges	1,292,945	1,597,580
Carriage Outwards	34,767,074	61,869,133
Export Expenses	—	56,555,939
Insurance Charges	252,694	801,844
Claims and Rebates	1,431,704	107,532
Commission on Sales	401,770	1,299,132
Rent	942,554	429,120
Rates and Taxes	1,123,319	790,479
Travelling and Conveyance Expenses	1,542,548	1,046,094
Bank Charges	6,493,270	614,883
Irrecoverable Debts and Advances Written off	1,739,494	4,713,579
Miscellaneous Expenses	14,445,046	8,502,760
Loss on Sale of Fixed Assets	176,564	172,114
Auditors Remuneration		
Audit Fees	200,000	220,600
Tax Audit Fees	50,000	55,150
Other Services	75,000	55,150
	177,546,439	280,652,159

SCHEDULE - 17 INTEREST EXPENSES		
Interest to Bank for Term Loan	1,274,116	3,529,419
Interest to Bank for Other Finance	74,014,551	32,012,867
Interest to Others	12,865,076	12,112,236
	88,153,743	47,654,522

Schedules to the Accounts

SCHEDULE - 18 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

2. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost less Cenvat Credit on specific Fixed Assets and subsequent improvements thereto including non cenvatable taxes, duties, freight and other incidental expenses related to acquisition and installation are added to the cost of fixed assets.
- b) Depreciation on fixed assets has been provided on straight line method at rates which are in conformity with the requirements of Schedule XIV of the Companies Act, 1956. Provision for depreciation on Blast Furnace Plant as a whole has been computed at the rates prescribed for Continuous Process Plant as per Schedule XIV of the Companies Act, 1956. Leasehold Assets are amortized over the period of lease.

3. Capital Work-in-Progress

Cost of the Fixed Assets that are not yet ready for their intended use at the Balance Sheet date together with all related expenditures are shown under Capital Work-in-Progress.

4. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales are recognised on transfer of significant risk and rewards of ownership which generally coincide with the dispatch of the goods. Sales are stated at net of Sales Tax, VAT, Trade Discount, Rebates but include Excise Duty.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the weighted average basis and where applicable, includes the cost of material (net of available Cenvat), labours and factory overheads. Finished products also include Excise Duty on product manufactured.

6. Foreign Currency Transaction

- a) Initial recognition - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.
- b) Conversion - Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate on the date of transaction.
- c) Exchange difference - Exchange difference arising on the settlement or conversion of monetary current assets and liabilities are recognised as income or as expenses in the year in which they arise.

7. Borrowing Cost

Borrowing Costs incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.

8. Taxation

Provision for Tax is made for both Current and Deferred Taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred Tax Assets and Liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted.

9. Prior Period Adjustments

Income and Expenditure pertaining to prior period have been accounted under respective heads of Profit and Loss Account. However, net effect of such amount, where material, is disclosed separately in Notes on Accounts.

Schedules to the Accounts

10. Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard - 28 on Impairment of Assets, when at Balance Sheet date there are indications of impairment and the carrying amount exceeds its recoverable amount. The reduction is recognized as an impairment loss in the Profit and Loss Account.

11. Employee Benefits

- i) Employee benefits of short term nature are recognized as expense as and when it accrues.
- ii) Employee benefits of long term nature are recognized as expenses based on actuarial valuation.
- iii) Post employment benefits in the nature of Defined Contribution Plans are recognized as expense as and when it accrues and that in the nature of Defined Benefit Plans are recognized as expenses based on actuarial valuation.
- iv) Actuarial gains and losses are recognized immediately in the Profit and Loss Account as income and expense.

12. Earning Per Share

The Company reports Earning Per Share (EPS) in accordance with Accounting Standard - 20. Basic EPS is computed by dividing the Net Profit for the year by the weighted average number of Equity Share outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares, except where the results are anti dilutive.

13. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard - 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

14. Treatment Of Contingent Liabilities

Contingent Liabilities, if any, are disclosed by way of Notes.

B. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed (Net of advances) on capital account and not provided for ₹ 55,214,228 (Previous year ₹ 201,880,519).
2. Contingent Liabilities not provided for in respect of :
 - a) Excise Duty Matters Pending ₹ 13,215,155 (Previous year ₹ 13,215,155) plus Interest and Penalty if any.
 - b) Jharkhand Entry Tax Matters Pending ₹ 8,175,000 (Previous year ₹ 8,175,000)
 - c) Electricity Matters with The Durgapur Projects Limited Pending ₹ 9,793,882 (Previous year ₹ 9,793,882)
3. Travelling expenses include Directors Travelling ₹ 66,925 (Previous year ₹ 632,253).
4. Employee Benefits : Disclosure pursuant to Accounting Standard - 15 (Revised 2005). The Employee's Gratuity Scheme is unfunded and the Actuarial Valuation of Gratuity Scheme is prepared as at 31st March, 2011 under revised AS -15 norms and accordingly ₹ 1,188,775 has been provided in the books in the current financial year.

i) The summary of Key Results Data

(Amount in ₹)

	As at 31.03.2011	As at 31.03.2010
Assets/Liabilities		
1. Present Value of obligation	2,089,440	1,602,351
2. Fair Value of Plan Assets	Nil	Nil
3. Net Asset/(Liability) recognized in Balance Sheet	(2,089,440)	(1,602,351)

	For the year ended 31.03.2011	For the year ended 31.03.2010
Employer Expense		
1. Current Service Cost	307,619	246,087
2. Total Employer Expense	(1,188,775)	(838,061)

Schedules to the Accounts

(Amount in ₹)

ii) Summary of Membership Data

	As at 31.03.2011	As at 1.04.2010
Number of employees	213	134
Total Monthly Salary (in ₹)	1,063,933	661,266
Average past service (years)	4.44	5.68
Average future service (years)	21.39	18.65

iii) Summary of Financial Assumption Data

	As at 31.03.2011	As at 1.04.2010
Discount Rate per annum (Compounded)	8.25%	8.00%
Rate of increase in salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	21.39%	18.65%

The full results of calculations are set out in disclosure table under revised AS - 15 is reported below :
Net Asset/(Liability) recognized in the Balance Sheet - 1st April, 2010

	Amount in ₹
A. Funded Status	
1. Present value of Defined Benefit Obligation	1,602,351
2. Fair value of Plan Assets	—
3. Funded status [Surplus/(Deficit)]	(1,602,351)
4. Effect of Balance Sheet Asset Limit	—
5. Unrecognized Past Service Costs	—
6. Net Asset/(Liability) recognized in Balance Sheet	(1,602,351)

Total expense recognized in the Statement of Profit and Loss Year Ended 31st March, 2011

	Amount in ₹
A. Components of Employer Expense	
1. Current Service Cost	307,619
2. Interest Cost	132,194
3. Expected return of Plan Assets	—
4. Curtailment of Cost/(Credit)	—
5. Settlement Cost/(Credit)	—
6. Amortization of Past Service Cost	—
7. Actuarial Losses/(Gains)	748,962
8. Total expense recognized in the Statement of Profit and Loss	1,188,775
B. Actual Contribution and Benefits Payments for period ended 31st March, 2011	
1. Actual benefit payments	701,686
2. Actual Contributions	701,686

Schedules to the Accounts

(Amount in ₹)

Net Asset/(Liability) recognized in the Balance Sheet - 31st March, 2011

	Amount in ₹
A. Funded Status	
1. Present value of Defined Benefit Obligation	2,089,440
2. Fair value of Plan Assets	—
3. Funded status [Surplus/(Deficit)]	(2,089,440)
4. Effect of Balance Sheet Asset Limit	—
5. Unrecognized Past Service Costs	—
6. Net Asset/(Liability) recognized in Balance Sheet	(2,089,440)
1. Net Asset/(Liability) recognized in Balance Sheet at beginning period	(1,602,351)
2. Employer Expense	1,188,775
3. Employer Contribution	(701,686)
4. Net Asset/(Liability) recognized in Balance Sheet at end of the period	(2,089,440)

Reconciliation of Defined Benefit Obligations and Fair Value of Assets

	Amount in ₹
A. Change in Defined Benefit Obligations	
1. Present value of Defined benefit obligation at beginning of period	1,602,351
2. Current Service Cost	307,619
3. Interest Cost	132,194
4. Curtailment Cost/(Credit)	—
5. Settlement Cost/(Credit)	—
6. Employee Contribution	—
7. Plan Amendments	—
8. Acquisitions	—
9. Actuarial (Gains)/Losses	748,962
10. Benefit Paid	(701,686)
11. Present value of Defined benefit obligation at the end of period	2,089,440
B. Change in Fair Value of Assets	
1. Plan Assets at beginning of period	—
2. Actual return on Plan Assets	—
3. Actual Company Contributions	701,686
4. Employee Contributions	—
5. Benefits Paid	(701,686)
6. Plan Assets at the end of period	—

Schedules to the Accounts

(Amount in ₹)

5. Deferred Tax Asset/Liability (Net)

	2010-11	2009-10
Deferred Tax Liability		
Depreciation	78,448,003	80,915,665
Total	78,448,003	80,915,665
Deferred Tax Assets		
Unabsorbed Depreciation and Business Losses	35,936,711	95,023,448
Provision for Gratuity	694,060	544,639
Others	398,610	Nil
Total	37,029,381	95,568,087

In accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year. During the current year, the Company has Deferred Tax Liability of ₹ 78,448,003 and Deferred Tax Assets of ₹ 37,029,381 and accordingly a Net Deferred Tax Liability of ₹ 41,418,622 has been recognized in the books.

6. Mat Credit Entitlement amounting to ₹ 49,538,937 includes ₹ 1,37,72,489 on account of taxes paid in earlier Assessment Years under section 115JB of the Income Tax Act, being ₹ 5,204,586 for the A.Y. 2006-2007, ₹ 5,389,658 for the A.Y. 2007-2008, ₹ 3,178,245 for the A.Y. 2010-2011 which are eligible for credit under Section 115JAA of the Income Tax Act, from the future Financial Year Tax Liabilities of the Company and the same has been accounted for this year though part of the credit had accrued in earlier Accounting Years.
7. i) Based on the risks and returns associated with the business operations and in terms of Accounting Standard - 17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of manufacturing of Pig Iron and trading of its Raw Material, Coking Coal & Iron Ore Fines, are directly associated with Iron and Steel business and hence treated as a single reportable business segment. The management is of the view that the disclosure already provided in the financial statements relating with the quantitative details of manufacturing and trading activities under paragraph 19(B) & (C) of Notes to Accounts, are in compliance with the requirement of Accounting Standard - 17. The other activities for Cement manufacturing is less than 10% of Total Revenue and hence there are no additional disclosures to be made under Accounting Standard - 17, other than those already provided in the financial statements.
- ii) Geographical Segments
- a) The following table shows the distribution of the Company's sales by Geographical Market :

	2010-11	2009-10
Revenue	(₹)	(₹)
India	2,701,823,740	3,967,479,689
Outside India	–	288,287,605
	2,701,823,740	4,255,767,294

- b) The Company's tangible Fixed Assets are located entirely in India.

8. Related Party Disclosures

- a) List of Related Parties and relationship :

Party	Relationship
I. KEY MANGEMENT PERSONNEL	
A. Mr. Radhey Shyam Jalan	Managing Director
B. Mr. Pradeep Chandra Sahoo	Executive Director
II. RELATED PARTY	
A. Bengal Energy Limited	Associate Company
B. Karni Syntex Pvt. Limited	Promoter Company

Schedules to the Accounts

(Amount in ₹)

b) Transactions during the year :

	2010-11	2009-10
1) <i>With Key Management Personnel</i>		
i) Directors' Remuneration	1,102,400	878,400
2) <i>With Associate Companies</i>		
i) Sale of Goods	607,571,410	802,283,349
ii) Purchase of Goods	—	1,249,102,907
iii) Loan Taken	—	51,700,000
iv) Interest Paid	—	160,644
v) Conversion Charges Paid	70,400,620	36,628,951
vi) Balance Payable at year end	19,455,714	222,731,447
vii) Balance Receivable at the year end	—	306,000,000
3) <i>With Promoter Company</i>		
i) Equity Shares Issued	32,250,000	—
ii) Share Application Money Received	5,900,000	—

9. Depreciation on Coke Oven Plant has not been provided during the year, since the Plant was not in operation due to commercial reason. The total unprovided depreciation is ₹ 18,880,168 which has not been charged in the Profit and Loss Account in the current year as well as in the earlier years since 30th September, 2005.

10. During the year the company has spent a sum of ₹ 36,262,509 towards relining of the Mini Blast Furnance which inter-alia includes replacement of the Refractories & few other major component which is quite usual in the manufacturing process of a Pig Iron Plant at a interval of every 5-6 years. Although the relining work does not result in the enhancement of the installed capacity of the Plant but is essential to retain the depleting production capacity of the plant and therefore the same has been treated as Capital Expenditure. On the basis of the technical opinion and the past experience, the management has thought it prudent to amortize 95% value of the Capital Expenditure over a period of 5 years from the date of completion of relining work.

11. All related expenses of project, which is under implementation, are treated as Capital Work-in-progress. Administrative Expenses to said project as identified by the management, have been transferred to Pre-Operative Expenses Account. Capital Work-in-Progress includes following Pre-Operative Expenses pending allocation of Fixed Assets :

Particulars	As at 2010-11	As at 2009-10
Interest	5,698,267	—
Salary to Employee	3,448,308	7,500
Insurance Premium	209,250	320,000
License Fees	224,704	—
Power and Fuel	11,328,232	—
Travelling Expenses	1,529,602	3,265
Other Miscellaneous Expenses	5,729,416	1,956,799
Total	28,167,779	2,287,564

12. Salary, Wages, Allowances and Bonus and Contribution to Provident Fund and ESIC includes following remuneration to the Managing Director and Executive Director.

Schedules to the Accounts

(Amount in ₹)

Particulars	2010-11	2009-10
a) Managing Director		
Remuneration	200,000	Nil
Contribution to Provident Fund	24,000	Nil
b) Executive Director		
Remuneration	288,000	288,000
Allowances	590,400	590,400

13. The outstanding balances of Contractors, Suppliers, Debtors, Creditors and other are subject to confirmation and reconciliation.

14. As required by Accounting Standard - 20 "Earnings Per Share" necessary figures are furnished below :

	2010-11	2009-10
Profit after Taxation (₹)	151,805,349	90,684,911
Weighted average No. of Equity Shares	6,815,638	5,599,200
Weighted average No. of Equity Shares for Diluted EPS	6,815,638	5,599,200
Face value of Equity Shares (₹)	10	10
EPS (Basic) (₹)	22.26	16.20
EPS (Diluted) (₹)	22.26	16.20

15. Unsecured Loan consists of ₹ 1,340,711,453 (Previous year ₹ 901,269,002) from Banks against Letter of Credit, and advances for Supplies and ₹ 307,946,756 (Previous year ₹ 6,487,018) from Body Corporates.

16. Excise Duty and Cess on Stock represent differential Excise Duty and Cess on Opening and Closing Stock of Finished Goods.

17. The Foundry Division of the Durgapur Plant was licensed on short term basis for 11 months to M/s. Kajaria Iron & Steel Company Private Limited with effect from 1st August, 2010 on a Lease Rental of ₹ 300,000 per month.

18. The Company has allotted on 31st March, 2011, 14,550,000 of 7% Redeemable Non-Cumulative Preference Shares of ₹ 10 each, fully paid up, which is redeemable at par at any time between end of fifth year to twelfth year from the date of allotment, subject to approval from statutory bodies and Financial Institutions, if any.

19. Additional Information pursuant to the Provision of Paragraph 3 & 4 of Part - II of Schedule - VI of the Companies Act, 1956

A) Capacity and Production

Class of Products	Licence Capacity (MT)		Installed Capacity (MT)	Production (MT)
Pig Iron* #	2010-11	N.A.	110,000	38,101.080
	2009-10	N.A.	110,000	69,515.730
Portland Slag Cement	2010-11	N.A.	33,000	5,044.500
	2009-10	N.A.	33,000	5,868.000
C.I. Castings	2010-11	N.A.	18,000	Nil
	2009-10	N.A.	18,000	1,257.249
Met Coke	2010-11	N.A.	144,000	Nil
	2009-10	N.A.	144,000	Nil

* Pig Iron Includes Pig Iron Runner, Skull and Chips.

Pig Iron Production excludes 200 MT internal transfer (Raw Material of C.I. Castings division to Pig Iron division).

Schedules to the Accounts

(Amount in ₹)

B) Particulars in respect of Turnover, Closing Stock and Opening Stock

Class of Products	Year	Turnover		Closing Stock		Opening Stock	
		Qty. in MT	(₹)	Qty. in MT	(₹)	Qty. in MT	(₹)
Pig Iron	2010-11	38,153.340*	909,119,061	2,655.780	66,807,969	2,508.040	53,956,057
	2009-10	69,186.900*	1,306,446,484	2,508.040	53,956,057	2,179.210	37,556,488
Portland Slag Cement	2010-11	5,044.500#	11,329,154	Nil	Nil	Nil	Nil
	2009-10	5,868.000#	17,064,852	Nil	Nil	Nil	Nil
C.I. Castings	2010-11	1,241.760	33,517,599	Nil	Nil	1,241.760	37,096,143
	2009-10	2,492.414	67,225,971	1,241.760	37,096,143	2,476.920	79,666,116
Others	2010-11	–	79,935,195	–	51,714,268	–	22,404,097
	2009-10	–	49,944,437	–	22,404,097	–	60,143

Note : * Includes Captive Consumption – Nil MT (Previous year - 280.045 MT)

Includes Captive Consumption – 1,546.000 MT (Previous year - 600.000 MT) for Capital Work-in-Progress.

C) Particulars in respect of Traded Goods

Class of Products	Year	Opening Stock*		Purchases		Turnover		Closing Stock	
		Qty. in MT	(₹)	Qty. in MT	(₹)	Qty. in MT	(₹)	Qty. in MT	(₹)
Met Coke & Coking Coal	2010-11	161,656.310	1,304,265,820	39,538.870	414,426,489	143,356.310	1,571,762,018	32,436.070	330,695,789
	2009-10	691.400	1,320,574	409,120.010	3,503,505,240	248,155.100	2,571,534,157	161,656.310	1,304,265,820
Iron ore Fines & Others	2010-11	–	3,879,950	–	48,669,226	–	96,160,713	–	Nil
	2009-10	–	2,412,390	–	111,216,549	–	243,551,393	–	3,879,950

* Out of the Opening stock of Met Coke & Coking Coal 25,471.830 MT amounting to ₹ 204,844,806 and other Material amounting to ₹ 3,456,446 (Previous year - Nil) was transferred to Raw Material.

D) Particulars of Raw Materials Consumed

Class of Products	2010-11		2009-10	
	Qty. in MT	(₹)	Qty. in MT	(₹)
Pig Iron for C. I. Castings #	Nil	Nil	1,401.356	17,878,025
Iron Ore	65,290.700	405,980,686	123,316.005	539,883,695
Met coke	26,445.340	510,475,951	48,923.530	789,854,791
Clinker	2,536.000	8,328,408	2,819.854	8,538,951
Gypsum	25.216	33,664	55.469	54,275
Others		27,977,693		45,111,212
Total		952,796,402		1,401,320,949

Includes Captive Consumption - Nil MT (Previous year - 80.045 MT)

* Met Coke includes manufacture of Met Coke 26,445.340 MT (Previous year - 17,800.000 MT) out of Coking Coal 45,750.61 MT. (Previous year 23,121.330 MT) at Job Workers Place, which was subsequently used as Raw Material in Blast Furnace.

Schedules to the Accounts

(Amount in ₹)

E) Particulars of Imported and Indigenous Materials Consumed

Consumption of Raw Materials	2010-11		2009-10	
	(₹)	(%)	(₹)	(%)
Imported	—	—	340,977,142	24.33
Indigenous	952,796,402	100.00	1,060,343,807	75.67
Total	952,796,402	100.00	1,401,320,949	100.00

Consumption of Stores & Spares	2010-11		2009-10	
	(₹)	(%)	(₹)	(%)
Imported	—	—	—	—
Indigenous	17,025,867	100.00	25,463,363	100.00
Total	17,025,867	100.00	25,463,363	100.00

F) Earnings in Foreign Currency

	2010-11 (₹)	2009-10 (₹)
F.O.B. value of exports	—	274,727,741

G) Expenditure in Foreign Currency

	2010-11 (₹)	2009-10 (₹)
a) C.I.F. Value of Import		
i) For Raw Material	—	343,816,782
ii) For Capital Assets	127,276,157	60,509,638
b) For Know-how Fees	19,322,804	4,192,365
c) For Travelling	—	502,251

20. Balance Sheet Abstract and Company's General Business Profile (Additional Information under Part IV of the Schedule VI to the Companies Act, 1956) is annexed herewith.

21. In the opinion of the Board and to the best of their knowledge and belief, the value of the realization of Current Assets, Loan and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

22. Micro, Small and Medium Class Enterprises :

There are no Micro, Small and Medium Class Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. The above information regarding Micro, Small and Medium Class Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

23. Previous year figures have been re-grouped/re-arranged wherever necessary.

Signature to Schedules 1 to 18

In term of our report of even date attached
For **AGARWAL MAHESWARI & CO.**
Firm Registration No. 314030E
Chartered Accountants

D. R. Agarwal
Partner
Membership No. 051484
Place : Kolkata
Dated : The 28th day of May, 2011

For and on behalf of the Board of Directors

R. S. Jalan
Chairman and Managing Director

Ruchika Dhanuka
Company Secretary

T. N. Gunaseelan
Director

Balance Sheet Abstract and Company's General Business Profile

(Additional Information under Part IV of the Schedule VI of the Companies Act, 1956)

I) Registration Details

Registration No.	<input type="text"/> <input type="text"/> <input type="text"/> 4 1 1 6 9	State Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 2 1
Balance Sheet Date	<input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 1		

II) Capital raised during the year (Amount in ₹ Thousand)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Right Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L	Private Placement	<input type="text"/> <input type="text"/> 1 6 0 5 0 0

III) Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities	<input type="text"/> 2 <input type="text"/> 3 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 8	Total Assets	<input type="text"/> 2 <input type="text"/> 3 <input type="text"/> 7 <input type="text"/> 0 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 8
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Sources of Funds

Paid-up Capital	<input type="text"/> <input type="text"/> 2 1 6 4 9 2	Reserves & Surplus	<input type="text"/> <input type="text"/> 3 3 1 0 2 6
Secured Loans	<input type="text"/> <input type="text"/> 6 0 2 5 0	Unsecured Loans	<input type="text"/> 1 6 4 8 6 5 8
Deferred Payment Credit	<input type="text"/> <input type="text"/> 5 7 4 3	Share Application Money	<input type="text"/> <input type="text"/> 6 6 9 0 0
Deferred Tax Liabilities (Net)	<input type="text"/> <input type="text"/> 4 1 4 1 9		

Application of Funds

Net Fixed Assets	<input type="text"/> 1 2 1 3 8 8 7	Investments	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Net Current Assets	<input type="text"/> 1 1 5 6 6 0 1	Miscellaneous Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L
Accumulated Losses	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L		

IV) Performance of the Company (Amount in ₹ Thousand)

Turnover and Other Income	<input type="text"/> 1 8 9 7 6 9 9	Total Expenditure	<input type="text"/> 1 7 1 8 2 4 3
Profit/(Loss) before Tax	<input type="text"/> 1 7 9 4 5 6	Profit/(Loss) after Tax	<input type="text"/> <input type="text"/> 1 5 1 8 0 5
Earning Per Share (₹)	<input type="text"/> 2 2 . 2 6	Dividend Rate (%)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N I L

V) Generic Names of three Principal Products/Services of the Company (As per Monetary Terms)

Product Description	Item Code No. (ITC code)
C.I. Castings	73269011
Pig Iron and its By-Products	72011000
Portland Slag Cement	25232940

In term of our report of even date attached
For **AGARWAL MAHESWARI & CO.**
Firm Registration No. 314030E
Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2011

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

T. N. Gunaseelan

Director

Ruchika Dhanuka

Company Secretary

“What we call results
are beginnings.”

[illegible]

[illegible]



where vision takes shape

K I C Metaliks Limited

www.kicmetaliks.com



K I C METALIKS LIMITED

Regd Office : "Sir RNM House" 3B, Lal Bazar Street
4th Floor, Room No. 2, Kolkata - 700 001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Shareholders of K I C METALIKS LIMITED will be held on Friday, the 26th day of August, 2011 at 10.00 a.m. at "Rotary Sadan (Shripati Singhania Hall)", 94/2, Chowringhee Road, Lala Lajpat Rai Sarani, Kolkata - 700 020 to transact the following business :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account of the Company for the year ended on that date along with all annexure and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. T. N. Gunaseelan who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For **K I C METALIKS LIMITED**

Place : Kolkata
Dated : The 28th day of May, 2011

Ruchika Dhanuka
Company Secretary

NOTES :

1. The details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed/re-appointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th August, 2011 to 26th August, 2011 (both days inclusive).
4. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the Meeting Hall.
5. Members, who hold shares in de-materialized form, are requested to bring their Client I.D. and DP I.D. Nos. for easier identification of attendance at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address with PINCODE and along with address proof, i.e. Electric/Telephone Bill, Driving License or a copy of passport and Bank particulars to the Company or to its Registrar & Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
7. A member desirous of getting any information on the accounts or operations of the Company or share related matter is requested to forward his/her query(ies) to the Company at least ten (10) days prior to the meeting to enable the Management to keep the required information readily available at the meeting.
8. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals Shareholders in Companies, in particular. Those holding shares in single name, are requested to avail of the above facility by submitting details in the prescribed format, which may be obtained from the Company's Registrars & Share Transfer Agent.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
IN TWENTY FOURTH ANNUAL GENERAL MEETING**
(In pursuant of Clause 49 of Listing Agreement)

Name of Director(s)	Mr. T. N. Gunaseelan
Date of Birth	27.03.1965
Qualifications	B.Tech (Mining Engg.)
Date of Appointment	07.08.2009
Expertise in specific functional areas	Mining Engineer
List of other Public Companies in which Directorship held (excluding in Foreign Companies)	None
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in Foreign Companies)	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil

K I C METALIKS LIMITED

Regd Office : "Sir RNM House" 3B, Lal Bazar Street
4th Floor, Room No. 2, Kolkata - 700 001

Dear Shareholders,

Sub : Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued circulars on April 21, 2011 and April 29, 2011 inter-alia stating that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode.

To take part in the Green Initiative, we propose to send documents such as Notices, Annual Report etc. through electronic mode to the e-mail addresses which are made available to us by the Depositories and also which are registered and/or otherwise available with the Company's Registrar and Share Transfer Agents M/s. S. K. Computers Ltd. from time to time. The full text of all documents and communications will also be available on our website, www.kicmetaliks.com

We earnestly request you to register your email id with your Depository Participant, or where you desire to have the above documents at any alternative e-mail address, then you may accordingly register/update your email-id with your Depository Participant (for shares held in electronic form) or with the Company's Registrar and Share Transfer Agents at skcdilip@gmail.com or with the Company at companysecretary@kicmetaliks.com

Further, in case email address of any member has not been registered then the service of documents etc will be effected by other mode of service as provided under Section 53 of the Companies Act, 1956.

We are sure that you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives. It will not only be step to a Greener Earth but it will also be a faster mode of communication and there will be no chance of loss in postal transit.

Thank you for co-operating with us, as always.

For **K I C METALIKS LIMITED**

Ruchika Dhanuka
Company Secretary



K I C METALIKS LIMITED

Regd Office : "SIR RNM HOUSE" 3B, LAL BAZAR STREET, 4TH FLOOR, ROOM NO. 2, KOLKATA - 700 001

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24TH ANNUAL GENERAL MEETING of the Company at "Rotary Sadan (Shripati Singhanian Hall)", 94/2, Chowringhee Road, Lala Lajpat Rai Sarani, Kolkata - 700 020 on Friday, the 26th day of August, 2011 at 10 a.m.

Regd. Folio No.	No. of Shares
DP ID No.	
Client ID No.	
Name of the Member :	
Name of the Proxy :	
<div>SIGNATURE(S) OF THE MEMBER(S)<div>SIGNATURE OF THE PROXY</div></div>	

Note : Please remember to bring this attendance slip with you duly filled and signed and hand it over at the entrance of the Meeting Hall.

Please also bring your copy of the Annual Report to the Meeting.



K I C METALIKS LIMITED

Regd Office : "SIR RNM HOUSE" 3B, LAL BAZAR STREET, 4TH FLOOR, ROOM NO. 2, KOLKATA - 700 001

PROXY FORM

Regd. Folio No.	No. of Shares
DP ID No.	
Client ID No.	

I/We.....
of.....being a member of K I C Metaliks Limited
hereby appoint.....of.....
or failing him/her.....of.....
or failing him/her.....of.....
as my/our proxy to attend and vote for me/us on my/our behalf at the 24TH ANNUAL GENERAL MEETING of the Company to be held at "Rotary Sadan (Shripati Singhanian Hall)", 94/2, Chowringhee Road, Lala Lajpat Rai Sarani, Kolkata - 700 020 on Friday, the 26th day of August, 2011 at 10 a.m.

AS WITNESS whereof my/our hand is/are affixed this day of2011
Signed by the said

Affix
Rupee 1/-
Revenue
Stamp

Note : Proxy Form duly completed must reach the Company's Registered Office, "Sir RNM House" 3B, Lal Bazar Street, 4th Floor Room No. 2, Kolkata - 700 001 not less than 48 hours before the time for holding the Meeting.