



K I C METALIKS LIMITED

CIN: L01409WB1986PLC041169

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

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NOTICE

NOTICE is hereby given that the 27th (Twenty Seventh) Annual General Meeting of the shareholders of K I C METALIKS LIMITED will be held on Tuesday, the 9th day of September, 2014 at 10.00 a.m. at "Rotary Sadan (Shripati Singhania Hall)", 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following business :

AS ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2014, the Report of the Board of Directors and Auditors thereon and to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

"RESOLVED THAT the Directors' Report to the shareholders dated 28th May, 2014, Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as at the date, the Cash Flow Statement for the year ended 31st March, 2014, together with the Auditors Report thereon be and are hereby received and adopted."

2. To appoint a Director in place of Mr. Barun Kumar Singh (DIN:05292536) who retires by rotation and is eligible for re-appointment and to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

"RESOLVED THAT Mr. Barun Kumar Singh, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed Director of the Company."

3. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act 2013 'Act' read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Registration Number-314030E) be and are hereby re-appointed as the Auditors of the Company, for a term of maximum three consecutive years, to hold office from the conclusion of this Annual General Meeting until the conclusion of 30th Annual General Meeting to be held in the calendar year 2017, subject to ratification by the shareholders at every Annual General Meeting of the Company and that the Board of Directors be and is hereby authorized to fix their remuneration as may be

recommended by the Audit Committee in consultation with the Auditors."

AS SPECIAL BUSINESS :

4. **Appointment of Mr. Suresh Kumar Singhal (DIN:00058501) as an Independent Director of the Company :**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 'Act' (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the 'Act' and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Suresh Kumar Singhal (DIN:00058501), who was appointed as a Director of the Company liable to retire by rotation and who retires by rotation at this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the 'Act' and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the 'Act' from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2019, whose term shall not be subject to retirement by rotation."

5. **Appointment of Mr. Laxmi Narayan Sharma (DIN:00356855) as an Independent Director of the Company :**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 'Act' (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the 'Act' and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Laxmi Narayan Sharma (DIN:00356855), who was appointed as a Director of the Company liable to retire by rotation and

who retires by rotation at this Annual General Meeting and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the 'Act' and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the 'Act' from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2019, whose term shall not be subject to retirement by rotation."

6. To approve payment of overall and minimum remuneration to Mr. Barun Kumar Singh (DIN:05292536), Whole Time Director of the Company for his remaining tenure :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 'Act' and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the Central Government (if required) and such consent(s), approval(s) and permission(s) as may be necessary in this regard, the consent of the Company be and is hereby accorded for payment of remuneration, enumerated in the statement annexed hereto and as recommended by the Nomination and Remuneration Committee as overall and minimum remuneration to Mr. Barun Kumar Singh (DIN:05292536), Whole-Time Director of the Company for his remaining tenure of one year w.e.f. 30th May, 2014 to 29th May, 2015, whose period of office shall be determined as to be liable to retire by rotation."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein any financial year closing on or after March 31, 2014 during the tenure of Mr. Barun Kumar Singh as Whole time Director of the Company, the Company incurs loss or its profits are inadequate, it shall pay Mr. Barun Kumar Singh the remuneration by way of salary, perquisites and allowances as a minimum remuneration but not exceeding the limits specified under Schedule V to the 'Act' or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the components of remuneration (including minimum remuneration in the event of absence or inadequacy of profits in any financial

year) payable to Mr. Barun Kumar Singh from time to time and to comply with legal provisions and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

7. Re-appointment of Mr. Radhey Shyam Jalan (DIN:00578800) as Chairman and Managing Director of the Company and approval of the overall remuneration payable to him :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution** :

"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 'Act' and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any modification(s) or re-enactment thereof for the time being in force) and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Radhey Shyam Jalan, (DIN:00578800), as a Whole-Time Director under the designation "Chairman and Managing Director" of the Company for a period of three years w.e.f. 30th January, 2014, liable to retire by rotation, on the remuneration and terms and conditions enumerated in the Statement annexed hereto, as recommended by the Nomination and Remuneration Committee and/or approved by "Board" from time to time and as may be acceptable to Mr. Radhey Shyam Jalan."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein any financial year closing on or after March 31, 2014 during the tenure of Mr. Radhey Shyam Jalan as Chairman and Managing Director of the Company, the Company incurs loss or its profits are inadequate, the Company shall pay Mr. Radhey Shyam Jalan the remuneration by way of salary, perquisites and allowances as a minimum remuneration but not exceeding the limits specified under Schedule V to the 'Act' or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the "Board" and/or its committee be and is hereby authorized in its absolute discretion to decide/determine, fix and/or vary/alter/modify within the limit stated above, the components of remuneration (including Minimum Remuneration in the event of absence or inadequacy of profits in any financial year) payable to Mr. Radhey Shyam Jalan from time to time and to comply with legal provisions and to do all such acts, deeds, things and matters and ancillary and consequential things as may be considered necessary and to settle all

questions or difficulties whatsoever that may arise to give effect to the above resolution.”

8. Appointment of Ms. Sayantony Banerjee (DIN: 06445255) as an Independent woman Director of the Company :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

“**RESOLVED THAT** Ms. Sayantony Banerjee (DIN:06445255) who was appointed as an Additional Director by the Board of Directors of the Company (hereinafter referred to as “Board”) with effect from July 17, 2014, pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ‘Act’ read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the ‘Act’ and eligible for appointment and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received notice in writing from a shareholder under Section 160 of the ‘Act’ proposing her candidature for the office of Director be and is hereby appointed as an Independent Director on the “Board” of the Company to hold office up to 5 (five) consecutive years, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the “Board” be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

9. To ratify remuneration of Cost Auditors of the Company :

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Section 141 and all other applicable provisions of the Companies Act, 2013 ‘Act’ and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to such guidelines and approval as may be required from the Central Government the re-appointment of M/s. Sohan Lal Jalan and Associates (Firm Registration Number 101620, Membership No. 7442), Cost Accountants of Samrat Apartment, P-18, Suren Sarkar Road, Kolkata- 700010 as Cost Auditors to audit the cost records maintained by the Company in respect of its Steel and Cement Units for the financial year 2014-15 on a remuneration of ₹ 25,000/- (Rupees twenty five thousand only) all including service tax and out of pocket expenses, be and is hereby ratified.”

10. Authorise Board of Directors to borrow money otherwise than on debentures :

To consider and, if thought fit, to pass, with or without modification(s) the following resolution **Special Resolution** :

“**RESOLVED THAT** in supercession of the earlier resolutions passed in this regard by the Company and subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ‘Act’ read with Rule 22 of Companies (Management and Administration) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof and any rules there under for the time being in force} to the Board of Directors of the Company (hereinafter referred to as the “Board”), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the ‘Act’ and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the “Board” for an aggregate amount not exceeding ₹ 500 Crores (Rupees five hundred crores only) notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

“**RESOLVED FURTHER THAT** the “Board” be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

11. Authorise Board of Directors for creation of charge on movable and immovable properties of the Company, both present and future :

To consider and, if thought fit, to pass, with or without modification(s) the following resolution **Special Resolution** :

“RESOLVED THAT in supercession of the earlier resolutions passed in this regard by the Company and subject to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ‘Act’ read with Rule 22 of Companies (Management and Administration) Rules, 2014 {including any statutory modifications or re-enactments thereof and any rules there under for the time being in force} the shareholders of the Company hereby accord their consent to the Board of Directors (hereinafter referred to as “Board”), including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future together with the power of takeover the management of the business and concern of the Company in certain events of default in favour of the Lender(s), Agent(s), Trustee(s) for securing the borrowings of the Company, and/or any of the Company’s Subsidiary/Affiliate/Associate Company, availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or non-convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of ₹ 500 Crores (Rupees five hundred crores only) together with interest as agreed, additional interest, compound interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered/to be entered into between the Company and the Lenders/Agents/Investors and Trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the “Board” or any committees thereof and the Lender(s), Agent(s) or Trustee(s).”

“RESOLVED FURTHER THAT the “Board” be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

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

Place : Kolkata

Ruchika Fogla (Dhanuka)

Dated : The 17th day of July, 2014

Company Secretary

NOTES :

1. A shareholder entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a shareholders of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the “Meeting”.

Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of shareholders not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A shareholder holding more than ten percent of the total share capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.

2. Corporate shareholders intending to send their authorised representatives to attend the “Meeting” are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the “Meeting”.
3. Only bonafide shareholders of the Company whose names appear on the Register of Shareholders/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the “Meeting”. The Company reserves its right to take all steps as may be deemed necessary to restrict non-shareholders from attending the “Meeting”.
4. Shareholders are requested to bring their copies of Annual Report to the “Meeting”. Shareholders are also requested to produce the enclosed attendance slip duly filled and signed as per the specimen signature recorded with the Company/Depository Participant for admission to the “Meeting” Hall.
5. Shareholders, who hold shares in de-materialised form, are requested to bring their Client I.D. and DP I.D. Nos. for easier identification of attendance at the “Meeting”.
6. In case of joint holders attending the “Meeting”, only such joint holder who is higher in the order of names will be entitled to vote.

7. Shareholders holding shares in physical form are requested to promptly notify in writing any change in their registered address (along with pincode and address proof) and bank particulars (along with Bank MICR code) to Secretarial Department of the Company at its Registered Office at "Sir RNM House" 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata - 700 001 or the Registrar & Share Transfer Agent (RTA), M/s. S. K. Infosolutions Pvt. Ltd. at 34/1A, Sudhir Chatterjee Street, Kolkata-700 006, 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 (DP).
 8. In terms of the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Shareholders holding shares in physical form and desirous of availing the above facility are advised to submit their Nominations in Form SH.13 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, which may be obtained from the Company's Registrars & Share Transfer Agent. However, in case of demat holdings, the shareholders should approach to their respective Depository Participants for making nominations.
 9. The SEBI has vide Circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 mandated the submission of PAN (Permanent Account Number) by every participant in the security market. Shareholders holding shares in electronic form/physical form are therefore, requested to submit their PAN to the Company or its RTA.
 10. Pursuant to Section 101 and 136 of the Companies Act, 2013, read with the relevant Rules made their under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication(s) including Annual Report, Notices, Circulars, etc. from the Company electronically.
 11. A shareholder 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 10 (Ten) days prior to the "Meeting" to enable the management to keep the required information readily available at the "Meeting".
 12. The Register of Shareholders and the Share Transfer Books of the Company will remain closed from 3rd September, 2014 to 9th September, 2014 (both days inclusive).
 13. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the "Meeting" under item no. 4 to 11 is annexed hereto.
- Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma, Independent Directors are liable to retire by rotation at this Annual General Meeting under the provisions of erstwhile Companies Act, 1956, but in view of the provisions of section 149 and other applicable provisions of the Companies Act, 2013, they are proposed to be appointed as Independent Directors for a consecutive period of 5 years and will not liable to retire by rotation. Hence their appointments have been considered as Special Business as set out in Agenda No. 4 and 5 of the Notice.
14. Brief resume of Directors including those proposed to be appointed/re-appointed at the 27th Annual General Meeting, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), are provided in the Corporate Governance Report forming part of the Annual Report.
 15. Shareholders who hold shares in physical form in multiple folios in identical names or joint holding in the some order of names are requested to send the share certificates to the Registrar M/s S. K. Infosolutions Pvt. Ltd. for consolidation into a single folio.
 16. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Shareholders facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under :

 - (i) The Notice of the 27th AGM of the Company *inter alia* indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Shareholders. Initial password is provided in the Attendance Slip for the 27th AGM:

<u>EVEN (E-Voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
 - (ii) NSDL shall also be sending the User-ID and Password, to those Shareholders whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s). For shareholders who have not registered their email address, can use the details as provided above.

- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iv) Click on shareholders – **Login**
 - (v) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (viii) Select **“EVEN” of K I C Metaliks Limited**
 - (ix) Now you are ready for e-Voting as Cast Vote page opens
 - (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail kic.scrutinizer@gmail.com or evoting@kicmetaliks.com with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on September 3, 2014 (9:00 am) and ends on September 5, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 18, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholders, they shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on, Friday, July 18, 2014.
 - VII. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VIII. The Results shall be declared on or after the 27th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.kicmetaliks.com and on the website of NSDL within two (2) days of passing of the resolutions at the 27th Annual General Meeting of the Company on 9th September, 2014 and communicated to BSE.
17. All documents referred to in the accompanying Notice and the Statement under Section 102(1) of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company on all working days except Saturdays up to the date of declaration of the result of the 27th Annual General Meeting of the Company.

STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4 & 5

Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma are Independent Directors of the Company and have held the positions as such for less than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed Company.

It is proposed to appoint Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma as Independent Directors under Section 149 of the Companies Act, 2013 'Act' and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2019.

Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma are not disqualified from being appointed as Directors in terms of Section 164 of the 'Act' and have given their consent to act as such. The Company has received notices in writing from shareholders alongwith the deposit of requisite amount under Section 160 of the 'Act' proposing the candidatures of each of Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma for the office of Directors of the Company.

The Company has also received declarations from Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the 'Act' and under Clause 49 of the Listing Agreement.

In the opinion of the "Board", Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma are independent of the management.

Brief resume of above Directors, nature of their expertise in specific functional areas and names of Companies in which they hold Directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Suresh Kumar Singhal and Mr. Laxmi Narayan Sharma as Independent Directors setting out the terms and conditions are available for inspection by shareholders at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange(s).

The Board commends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

ITEM NO. 6

With the introduction of Schedule V of the Companies Act, 2013 'Act' a Company having profits in a financial year may pay remuneration to a Managerial Personnel not exceeding the limits specified in Section 197 of the 'Act' and in cases where there is no profits or its profits are inadequate, the Company can pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V to the Companies Act, 2013. Hence, it has been thought prudent to obtain the approval of the shareholders by way of a Special Resolution to continue the payment of remuneration to Mr. Barun Kumar Singh, a Whole Time Director of the Company in the absence/ inadequacy of profits in any financial year as per limits and the terms and conditions approved as under :

A)	Remuneration (Salary, Perquisites & Allowances)	Not exceeding ₹ 18.04 Lakhs (Rupees eighteen lakhs and four thousand only) per annum. Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases.
B)	Termination	The appointment, notwithstanding the three years tenure fixed w.e.f. May 30, 2012, may be terminated by either party by giving three months notice in writing.
C)	Sitting Fee	No sitting fees shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
D)	Others	As per Company rules.

The above payment shall be governed by the provisions of Schedule V to the 'Act' or any amendment thereof.

The "Board" commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in

any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 7

Mr. Radhey Shyam Jalan during his term as Chairman and Managing Director of the Company had done his best for all round development and growth of the Company resulting in the

turnaround of the organisation. Therefore, on recommendation of the Nomination and Remuneration Committee, the “Board” at their meeting held on 30th January, 2014, re-appointed Mr. Radhey Shyam Jalan as the Chairman and Managing Director of the Company for a further period of three years from 30th January, 2014 to 29th January, 2017, subject to the approval of the shareholders of the Company.

Mr. Radhey Shyam Jalan, aged 31 years is a B.Com (Honours) graduate and a CA degree holder from the Institute of Chartered Accountants of India. Being a Chartered Accountant, with an experience of over ten years in Business Administration, he has been able to establish a niche for the Company in the business world and his re-appointment will contribute further to the growth of the Company.

With the introduction of Schedule V of the Companies Act, 2013 ‘Act’ the Company having profits in a financial year may pay remuneration to a managerial Person(s) not exceeding the limits specified in Section 197 of the ‘Act’ and in cases where there is no profits or its profits are inadequate, the Company can pay remuneration to its managerial person in accordance with the provisions of Schedule V to the ‘Act’. Hence, it has been thought prudent to obtain the approval of the shareholders by way of a Special Resolution for payment of remuneration to Mr. Radhey Shyam Jalan, Chairman and Managing Director of the Company in the absence/inadequacy of profits in any financial year as per limits and the terms and conditions approved earlier as under :

A)	Remuneration (Salary, Perquisites & Allowances)	Not exceeding ₹ 18 Lakhs (Rupees eighteen lakhs only) per annum. Perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases.
B)	Termination	The appointment, notwithstanding the three years tenure fixed w.e.f. January 30, 2014, may be terminated by either party by giving three months notice in writing.
C)	Sitting Fee	No sitting fees shall be payable for attending the meetings of the Board of Directors or any Committee thereof.
D)	Others	As per Company rules.

The above payment shall be governed by the provisions of Schedule V to the ‘Act’ or any amendment thereof.

The “Board” commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

The draft of the Agreement, proposed to be entered into between Company and Mr. Radhey Shyam Jalan is open for

inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Disclosure as required under Schedule V of the Companies Act, 2013 for seeking approval of the shareholders are given below :

I. GENERAL INFORMATION :

1.	Nature of Industry	Manufacturing of Pig Iron/Iron and Steel		
2.	Date of commencement of commercial production	Since 1986		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus	Not Applicable		
4.	Financial performance based on given indicator	As per Audited Financial Results for the year ended.		
	Particulars	2013-14	2012-13	2011-12
	Profit before Depreciation, Exceptional items & Taxation	844.67	1,694.07	914.02
	Less : Exceptional items	(314.14)	(300.80)	(0.43)
	Less : Depreciation & Amortisation	(963.69)	(978.50)	(420.52)
	Profit before Taxation	(433.16)	414.77	493.07
	Less : Taxation including Deferred Tax	1.65	(276.63)	(264.84)
	Add : MAT credit entitlement	–	82.99	98.65
	Profit after Taxation	(434.81)	221.13	326.88
	Balance brought forward from earlier year	1,784.39	1,563.26	1,236.38
	Surplus carried to Balance Sheet	1,349.58	1,784.39	326.88
5.	Foreign Investment or collaborations, if any	None		

II. Information about the Appointees :

	Mr. Barun Kumar Singh	Mr. Radhey Shyam Jalan
Background details	Metallurgical Engineer from B.I.T. Sindri having a vast experience in the field of Steel project commissioning and execution, Sinter Plant and Blast furnace operations. Having an experience of over 20 years in this field, he has worked with companies like Usha Martin Limited, Neo Metaliks Limited and Adhunik Metaliks Limited.	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.
Past Remuneration (₹ in Lakhs)	15.03	12.00
Recognition and Awards	–	–
Job profile and his suitability	He is Whole-Time Director of the Company since 30th May, 2012 and is fully conversant with the activities of the Company. As Executive Director, he shall devote whole of his time and attention to the business and affairs of the Company and perform such duties and exercise such powers as may from time to time be entrusted to or vested in him by the “Board” subject to superintendence, control and direction of the “Board”.	He has been entrusted with the responsibilities to manage the affairs of the Company on a day to day basis subject to the superintendence, direction and control of the Board of Directors. With his experience in diverse field, he has gained considerable expertise in corporate management.
Remuneration proposed	As mentioned in the Statement to Item no. 6 pursuant to Section 102(1) of the Companies Act, 2013 as annexed to the Notice of 27th Annual General Meeting.	As Mentioned in the Statement to Item no. 7 pursuant to Section 102(1) of the Companies Act, 2013 as annexed to the Notice of 27th Annual General Meeting.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The proposed remuneration is comparable with the prevalent trend in the industry and commensurate with the size of the Company and profile of the position and the person.	
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He has no pecuniary relationship with the Company other than his remuneration as Whole-Time Director.	He has no pecuniary relationship with the Company other than his remuneration as Chairman and Managing Director.

III. Other information :

1.	Reasons of loss or inadequate profits	The year 2013-14 was a difficult year for the nation. India's growth rate continued its downward journey low of 4.7 per cent. Every industry except few had to bear the brunt. Decline in realisation from sale of pig iron coupled with shutdown of the Mini Blast Furnace at Durgapur for 4 months for modernization and expansion resulted in losses.
2.	Steps taken or proposed to be taken for The Company has successfully completed Conversion improvement	The Company has successfully completed modernization cum expansion of its Mini Blast Furnace with the latest State of the Art Technology and with this, the production capacity of pig iron has increased from 1,10,000 MTPA to 1,65,000 MTPA. Further your Company is having a 3,36,600 MTPA Sinter Plant & a 4.7 MW Captive Power Plant, which, coupled with the modernised Mini Blast Furnace will reduce the cost of production of Hot Metal and thus increase profitability in long run.
3.	Expected increase in productivity and profits With the above, the production, turnover and in measurable terms	With the above, the production, turnover and profitability of the Company should improve.

IV. DISCLOSURES :

The remuneration package alongwith relevant details payable to Mr. Barun Kumar Singh and Mr. Radhey Shyam Jalan has been mentioned in the Report of Corporate Governance attached to the Directors Report. The Corporate Governance Report also indicates payment of commission and sitting fee to all Directors of the Company. There is no severance fee or stock option to either of them. The period of appointment and remuneration to them is as per approval of Annual General Meeting resolution. The appointment may be terminated by either party giving other three months notice.

ITEM NO. 8

Ms. Sayantony Banerjee was appointed as an Additional Director on the "Board" with effect from 17th July, 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013 'Act', Ms. Sayantony Banerjee will hold office up to the date of ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the 'Act' from a shareholders along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Sayantony Banerjee for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the 'Act'.

The Company has received from Ms. Sayantony Banerjee (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the 'Act' and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the 'Act'.

The resolution seeks the approval of shareholders for the appointment of Ms. Sayantony Banerjee as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the 'Act' and the Rules made there under. She is not liable to retire by rotation.

In the opinion of the "Board", Ms. Sayantony Banerjee, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and she is Independent of the Management.

The "Board" commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 9

The "Board", on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Sohan Lal Jalan and Associates, Cost Auditors to conduct the audit of the cost records of the Company relating to the Steel and Cement Units for the financial year ending March 31, 2015.

In accordance with the provisions of Section 141 and 148 and

all other applicable provisions of the Companies Act, 2013 'Act' read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

The "Board" commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 10

The shareholders of the Company via Postal Ballot, results of which were declared on 10th July, 2010 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 500 Crores (Rupees five hundred crores).

Section 180(1)(c) of the Companies Act, 2013 'Act' effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the shareholders accorded by way of a Special Resolution.

It is, therefore, necessary for the Shareholders to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the 'Act' as set out at Item No. 10 of the Notice, to enable the "Board" to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of shareholders is being sought to borrow money upto ₹ 500 Crores (Rupees five hundred crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

The "Board" commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 11

The Company is required to create security for the said facilities as mentioned under Item No. 10 above in favour of the Lenders/ Trustees for the Non Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 10 of this Notice, the said borrowings/issue of securities may be required to be secured

by way of mortgage/charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180(1)(a) of the Companies Act 2013 'Act' the mortgage or charge on all or any part of the movable and/or immovable properties of the Company requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the "Board" to create charge on the assets of the

Company for a value not exceeding ₹ 500 Crores (Rupees five hundred crores).

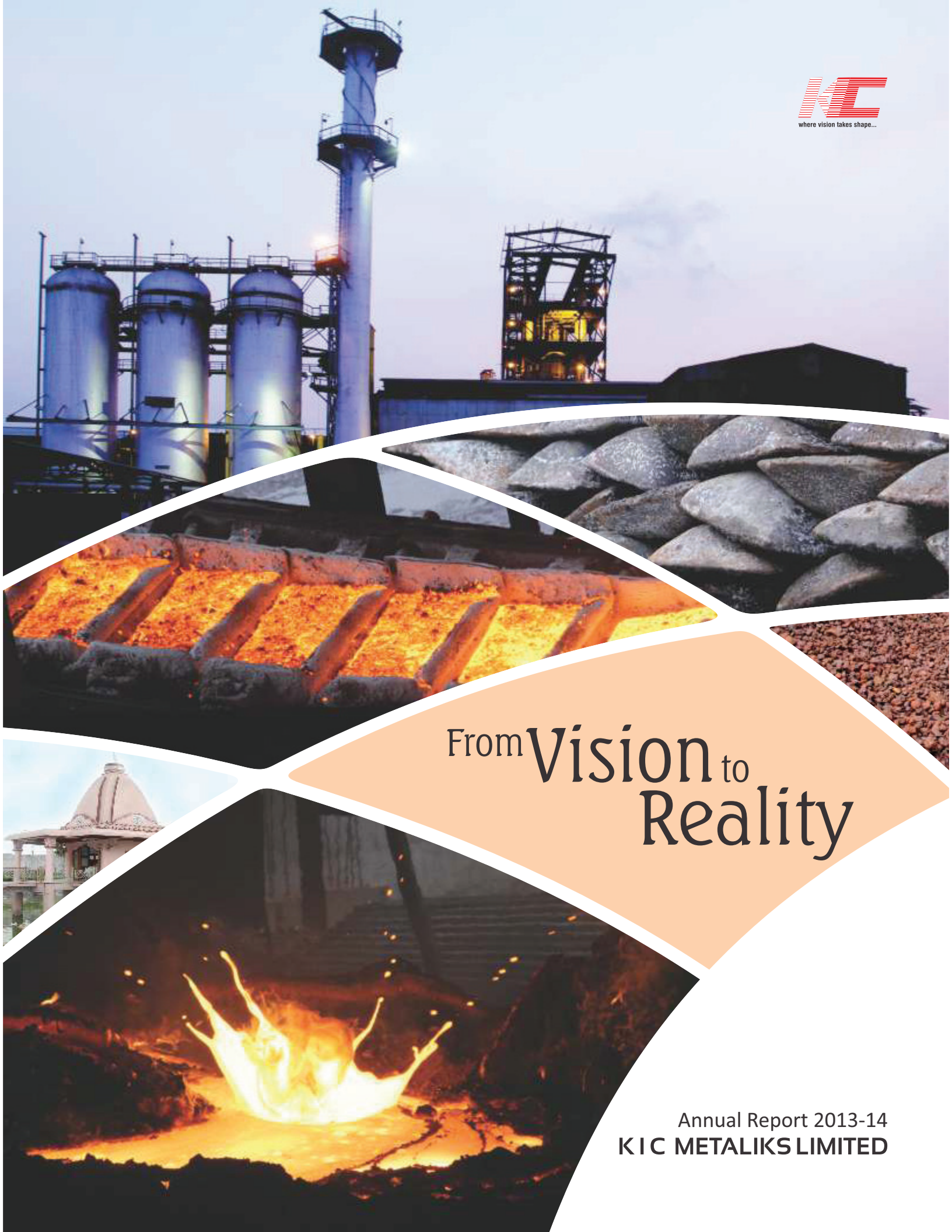
The "Board" commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT
IN THE TWENTY SEVENTH ANNUAL GENERAL MEETING**

(Pursuant of Clause 49 of Listing Agreement)

Name of Director(s)	Mr. L. N. Sharma	Mr. B. K. Singh	Mr. R. S. Jalan	Mr. S. K. Singhal	Ms. S. Banerjee
Date of Birth	11.08.1953	08.08.1965	23.06.1980	28.04.1968	18.07.1988
Qualifications	B. Com (Honours)	B.Sc (Engineering) (Metallurgical)	B. Com (Honours), Chartered Accountant	B.E. (Mechanical), MBA	BBA (Honours), MBA (Finance and Marketing)
Date of Appointment	17.09.2012	30.05.2012	07.08.2009	07.08.2009	17.07.2014
Expertise in specific functional areas	Finance and Accounts	Blast Furnace Operations	Management, Finance and Business administration	Project Management	Administration and HR
List of other Public Companies in which Directorship held (excluding in Foreign Companies)	1) Global Capital Market & Infrastructure Limited 2) N.C.L. Research and Financial Services Limited 3) Desana Impex Limited	None	None	None	None
Chairman/Shareholders of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in Foreign Companies)	None	None	None	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil	Nil	Nil	Nil	Nil



From **Vision** to
Reality

Annual Report 2013-14
K I C METALIKS LIMITED



Corporate Information

BOARD OF DIRECTORS

Mr. Radhey Shyam Jalan
Chairman and Managing Director
Mr. Barun Kumar Singh
Executive Director
Mr. L. N. Sharma
Independent Director
Mr. Suresh Kumar Singhal
Independent Director
Ms. Sayantony Banerjee
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mukesh Bengani

COMPANY SECRETARY

Mrs. Ruchika Fogla (Dhanuka)

AUDITORS

M/s. Agarwal Maheshwari & Co.
Chartered Accountants
2B, Grant Lane, Kolkata - 700 012
West Bengal, India

BANKERS

State Bank of India
State Bank of Hyderabad

REGISTERED OFFICE

"Sir RNM House"
3B, Lal Bazar Street, 4th Floor
Room No. 2, Kolkata - 700 001
West Bengal, India
Phone : 91 33 3068 8681/83
Fax : 91 33 4001 9636

PLANT LOCATION

Raturia, Angadpur
Durgapur - 713 215
West Bengal, India
Phone : 91 98749 43342

REGISTRAR & SHARE TRANSFER AGENTS

M/s. S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata - 700 006, West Bengal, India
Phone : 91 33 2219 4815 / 6797
Fax : 91 33 2219 4815

The way forward

Corporate Overview 01-13 Statutory Reports 14-35
Financial Statements 36-60

Vision backed by determination

With the evolution of time, Indian Iron & Steel Industry has ushered to newer heights. Gone are the sayings “global financial meltdown, domestic political uncertainty, scams and financial mess, rising inflation & dollar price creating lots of ripple in the domestic markets.”

Today's new catchphrases are “domestic financial & political stability, taming inflation, continuous money inflow into the domestic market through various windows, rising stock market, rising dollar reserves”. All this gives a strong **vision** for a healthier future.

Backed by a buoyant domestic Indian market, along with a vision of increased infrastructure spending by the newer government is a matter of cheer for the iron & steel industry. Here lies a bigger role for the iron & steel to play.

**Here lies the business
optimism for
K I C Metaliks Ltd.**



When the global iron & steel markets weakened, K I C Metaliks Ltd. was focusing on strengthening its competencies...

... Through capacity expansion. Stronger processes. Enhanced efficiencies. Niche approach. And training.

The principal message that we want to convey to our stakeholders is simple.

That when the market revives, K I C Metaliks Ltd is poised for growth.

2/3

Human Resource

Over 270 employees make up the people power of the Company. Our young and dedicated team of qualified and experienced engineers, technicians, managerial and administrative staff contribute actively to the progress and development of the Company.

Quality policy

At K I C Metaliks Limited, quality is not just in the product, it is in the mind space. The quality standard has been reinforced through a documented discipline across every organisational level, which has ensured process as well as product consistency.

Generating a higher vision at K I C

K I C Metaliks Limited, incorporated during 1986 was one of the leading cast iron manufacturer and exporter, today stands tall & elated as one of the largest pig iron manufacturer in Eastern India.

The Company headed by Mr. Radhey Shyam Jalan, possess an integrated Pig Iron manufacturing plant spread across 73.72 acres at Raturia, Angadpur.

Vision

To become one of the most competitive integrated steel plants with diversified product offering.

Our guiding philosophy

- To strive to the industry standards in service, quality, reliability, safety and productivity.
- Providing work environments where our employees can meet their potential and thrive in an atmosphere of excellence.
- Maintaining a superior level of integrity in interactions with business partners and associates.
- Upholding the guiding principles of trust, integrity and transparency in all areas and conducting our business as model corporate citizens.



Achieved a turnover of

₹ 49,357
Lakhs



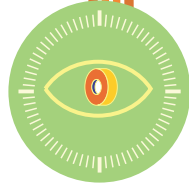
Pig Iron (Hot Metal) production stood at

62,833
MT



Reserve & Surplus as at 31st March, 2014

₹ 3,623.46
Lakhs



A vision to stay ahead of the curve

We at K I C Metaliks Ltd believe that in a highly competitive iron & steel manufacturing, success is derived through capacity growth, finding new customers & markets, extensive integration by maximizing the value chain and by growing ones revenue at a steadfast pace all the time. This helps the Company to efficiently amortise fixed costs on the one hand & maximise surpluses available for reinvestment on the other. At K I C, all these factors have been largely responsible for the progressive transformation of our corporate visibility and respect.





36.37%

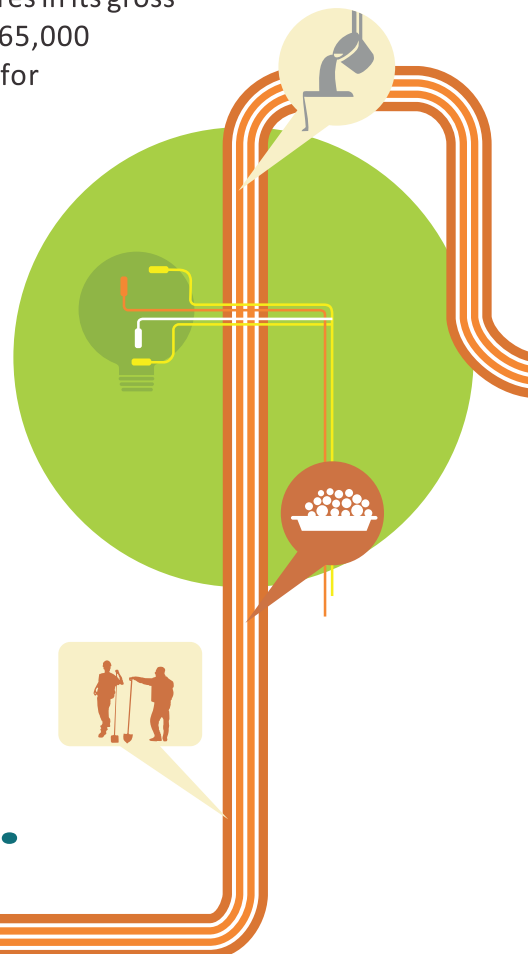
Increase in average gross block size over last 5 years.

CORPORATE OVERVIEW

Reinvestment : We recognise that the success of our Company will always be measured by our relative insulation from the cyclicity of the Iron & Steel industry. Over the last few years, we invested in specific initiatives to enhance this insulation to report better performances during the sectoral slowdowns. During the last 5 years the Company invested ₹ 143.72 Crores in its gross block and increased its Pig Iron production capacity to 1,65,000 MTPA. This helped the Company to create a foundation for robust sustainable growth.

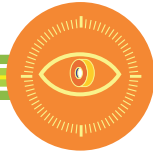
Value chain : The Company believes that by merely producing pig iron would not help it to maximise returns. In the long run by integrating forward and backward and increasing the value chain would help it in ensuring the cost security. With that the Company installed & commissioned a sinter and captive power plant in the gone-by years. On the backdrop of the same and industry stability, the Company would be able to ride its integration and report attractive returns.

K I C Metaliks
gross turnover grew
by an average of
302.95% in the last 5 years.



STATUTORY REPORTS

FINANCIAL STATEMENTS



A vision towards ensuring the energy security

India is the 5th largest producer of electricity in the world. At an electricity-GDP elasticity ratio of 0.8, electricity will continue to remain a key-input for India's economic growth. Electricity demand is likely to reach 1,354 BU by 2016-17 & 1,904 BU by 2021-22 whereas peak demand will reach 202 GW & 295 GW over the same period respectively. The power sector of India has grown from 1,362 MW in 1947 to 243 GW in 2013-14.





4.7 MW

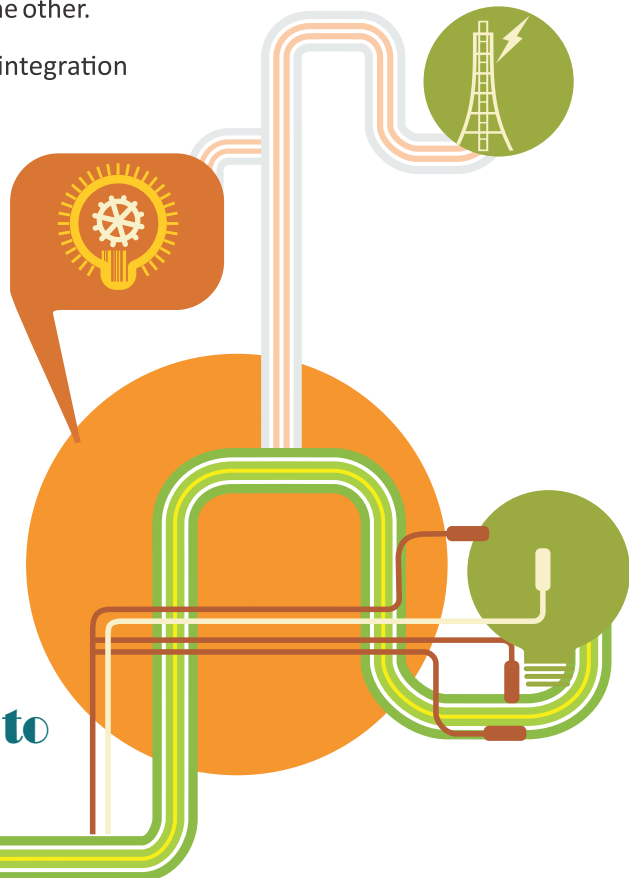
Waste Heat Recovery
based Captive
Power Plant

CORPORATE OVERVIEW

Value addition : Iron & Steel is a power intensive industry. There is an increased emphasis amongst the manufacturers for captive source of power generation to reduce the overall power cost. The amount of waste heat and gases can be tapped to generate power, saving fossil fuels on one hand, and reducing the emission of hazardous gases on the other.

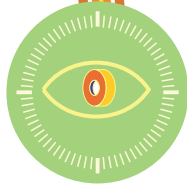
Integration : The Company took this value addition and integration process a critical step ahead and commissioned a 4.7 MW captive power plant to service the Company's existing power requirements and thereby reducing its dependence on the grid. The WHR power plant itself puts a tag of 'crusader of green source of power' to the Company.

The captive power plant would rationalize per unit power tariff and would generate huge savings in absolute terms of power requirements in the years to come.



STATUTORY REPORTS

FINANCIAL STATEMENTS



A vision towards strengthening the customers business

Since the beginning of our commercial production and in times of adversities we have always responded by going back to our clients to appraise their business opportunities and appetite. With that we not only did satisfy the need and thirst of our clients but also went on to add newer clients;

At K I C, we are trying to instill a strong culture of fiduciary discipline and are continuously improving our cost structures by identifying and eliminating wastages across processes.



During the year under review, our manufacturing facility was regularly monitored & audited by inhouse quality team





Installed capacity
increased from
1,10,000 MTPA
to 1,65,000 MTPA

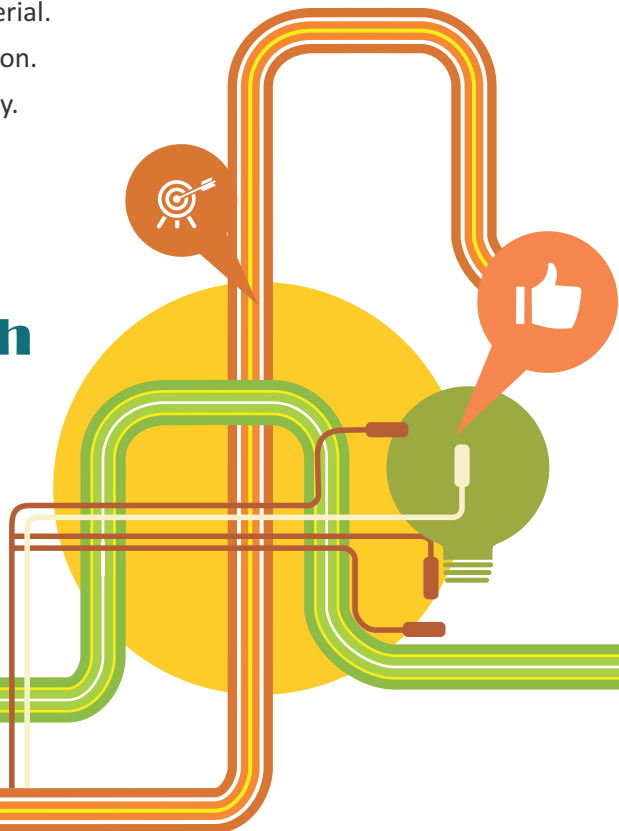
CORPORATE OVERVIEW

Assuring quality : We do not just see ourselves as a supplier; we also see ourselves as a critical partner in the supply chain of our customers. As a result, we do not only consider it important to manufacture products with a high quality standard, we also give equal importance to invest in cutting-edge technologies and a comprehensive checking of quality parameters ensuring that the end product manufactured meets the customers requirement and satisfaction, thereby helping our customers to enhance their product quality.

The Company has also been carrying out various activities, not only to improve production capacity but also to improve the end product quality. In lieu of the same, following initiatives has been carried out by the company during the year under review :

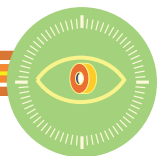
- Replacement of inefficient motors with energy efficiency motors.
- Recycling of water and utilisation of waste raw material.
- Efficient use of by-product gases for power generation.
- Upgradation of MBF to achieve production efficiency.

It is this ability to plug downstream needs with enduring products, services and solutions, which will drive growth from this point onwards.



STATUTORY REPORTS

FINANCIAL STATEMENTS



A vision towards meeting the social commitments

We believe that long-term business sustainability and value creation are closely connected to social integration. Our resolute focus on the Iron & Steel industry provides us with an ever needing dedication towards our personnel and ones in our surroundings. We always integrate healthy human resource practices, environment, health and safety considerations into business planning and decision making. At K I C we are always inspired by our own guiding principles of conducting our businesses with a human touch.





Hunger for excellence has brought our organisation at the crossroads of creating dynamism and experience within our management.

CORPORATE OVERVIEW



Human Resource : We believe in offering the ideal platform for growth to our employees, readying them to take up any challenge that comes their way. In line with this tenet, we enable our employees to grow in a learning environment so as to make the most out of the time spent on each assignment. The experience gathered gets buoyed by a powerful work-life-balance policy, making the overall journey both meaningful as well as pleasurable. In the year under consideration, our Company has focused in improving employee productivity and collaboration, their learning and development and employee engagement. Safety apparatuses including gum boots, gloves, safety caps is a must for every employee at the operational front, operational health centre inside the plant premises with a dedicated & qualified doctor to tackle basic cases of emergencies and bus facility to the employees are some further additions to the visitor of a healthy workforce.

Corporate Sustainability : As a means to the aforementioned end, we have worked ably along the lines of being committed towards the society. This belief has enabled us to undertake various initiatives for the upliftment of the people and the betterment of the environment in our surroundings.

Taking care of the environment is first and foremost in our agenda.

Through the installation of captive power plant through waste gas recovery process our Company is committed towards the omission of hazardous CO₂ gases from the environment. Plantation of trees around the plant premises, recycle and reuse of water are some of the steps undertaken by the Company towards its environment upkeep.

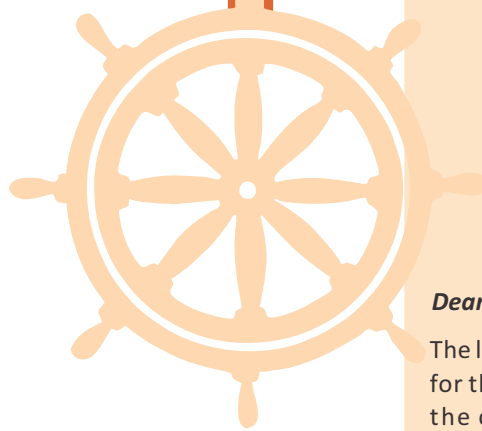
STATUTORY REPORTS



FINANCIAL STATEMENTS



Chairman's note



12/13

Dear Shareholders,

The last few years have been challenging for the domestic economy which led to the collapse of the overall business sentiment. There had been a lot of uncertainty prevailing due to unfavourable domestic political and economical scenario. But things have started moving in a different direction. With the change of guard at the central government and a stable government with majority, there is a high hope for the revival of the overall economy. It's been evident through rising dollar reserves, positive flow of money into the markets mainly through the stock market route and overall on the general positive mood of the industry which augurs well for the general economy.



STEEL REVIEW

Infrastructure-construction & iron-steel being inter-linked to each other and being dependent upon the positive & decisive moods of the government, now look upbeat and are confident of sailing smoothly in short to the medium term. Steel contributes to nearly 2% of the Gross Domestic Product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector is expected to touch \$ 95.3 billion by 2016. India is slated to become the second-largest steel producer in the world by 2015.

On this backdrop the outlook for Pig Iron Industry is also looking bright with easing raw material prices and increasing customer demand.

PERSPECTIVE

At K I C, we have consistently believed that reasonably smaller businesses move faster, address customer needs more efficiently and are better equipped to enhance stakeholder's value.

During the year 2013-14, our financial performance may not be encouraging, but that has come on the backdrop of a challenging market scenario. We are pleased to report that since acquisition our Company has delivered huge returns to our stakeholders in absolute terms. Our turnover, revenue and production capacity have increased immensely. Our various integration programmes are all over and we have already commissioned sinter and captive power plant. Now begins the crucial lap of our journey which is expected take us to newer orbits of green growth. We are defeating expected and unexpected challenges affecting our business operations, by implementing stable strategies and embracing agility. With that, we have modernized and upgraded our Mini Blast Furnace (MBF) plant replacing older machinery with newer ones. Our installed capacity

now stands at 1,65,000 MTPA. This decisive move will reduce the overall coke consumption and would be helpful for the financials of the Company in the long-run.

SOUND GOVERNANCE & SUSTAINABILITY

We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements.

Our Board currently comprises of 5 directors, from varied background and considerable working experience. The Company had also adopted various measures for a cordial working relation between the workers and the management. Workshops are being organized on a regular basis to impart training to the Company's personnel and also to make them aware of the developments in the Industry.

As a socially responsible corporate citizen, we always undertake significant steps to uplift the morale of the people and betterment of the environment in our surrounding.

WAY FORWARD

I am grateful to the management team for their wise counsel and enthusiastic participation in our journey. Thanks to all members of the K I C family for their heart-warming encouragement and support.

We are fully geared for a broader vision and strive to transform them into realities in the years to come.

Best wishes,

Radhey Shyam Jalan

Directors' Report



Dear Shareholders

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the affairs of the Company together with the Statement of Accounts for the financial year ended on 31st March, 2014. The summarised financial results for the financial year vis-s-vis the previous year are as follows :

1. FINANCIAL HIGHLIGHTS 2013-14

(₹ in Lakhs)

Particulars	2013-14	2012-13
Profit before Depreciation, Exceptional items & Taxation	844.67	1,694.07
Less : Exceptional items (loss on sale/discard of Fixed Assets)	(314.14)	(300.80)
Less : Depreciation and Amortisation	(963.69)	(978.50)
Profit before Taxation	(433.16)	414.77
Less : Taxation including Deferred Tax	1.65	(276.63)
Add : MAT credit entitlement	—	82.99
Profit after Taxation	(434.81)	221.13
Balance brought forward from earlier year	1,784.39	1,563.26
Surplus carried to Balance Sheet	1,349.58	1,784.39

2. PERFORMANCE

During the year under review, the Company has produced 62,833 MT of Hot Metal as compared to 63,718 MT in the previous year. The production had decreased slightly over previous year due to shutdown of Mini Blast Furnace for 4 months for modernization cum expansion. The production of Portland Slag Cement was 546 MT as compared to 977 MT in the previous year. Decline in production of Portland Slag Cement was due to lower demand of the product. The gross turnover of the Company was ₹ 49,357 Lakhs in 2013-14 in comparison to ₹ 50,341 Lakhs in 2012-13. The Company has incurred a loss of ₹ 434.81 Lakhs as compared to a profit of ₹ 221.13 Lakhs in the previous year.

3. PROJECTS AND EXPANSION

During the year under the review, your Company upgraded and enhanced the capacity of its Mini Blast Furnace (MBF) at Durgapur Plant by way of modernization cum expansion plan using state of art technology by replacing its major old equipments, as a result of which, the installed annual capacity of the MBF increased from 1,10,000 MT

Directors' Report

to 1,65,000 MT. This move will help your Company to reduce coke consumption in MBF and achieve cost benefits in production of Hot Metal.

In addition to above, the 3,36,600 MTPA capacity Sinter Plant and 4.7 MW waste heat recovery based Captive Power Plant at Durgapur are in operation from the last fiscal. It is expected that these investments will contribute to a better operating performance in 2014-2015.

4. CHANGES IN THE CAPITAL STRUCTURE

As on 31st March, 2014, the Authorised Share Capital of the Company stands at ₹ 10,000 Lakhs, which is divided into 250 Lakhs Equity Shares of ₹ 10 (Rupees ten) each amounting to ₹ 2,500 Lakhs and 750 Lakhs Preference Shares of ₹ 10 (Rupees ten) each amounting to ₹ 7,500 Lakhs.

In March 2013, the Company had issued on private placement basis, 7% Non-cumulative, Redeemable Preference Shares of face value ₹ 10/- (Rupees ten) each at par to investor aggregating to ₹ 450 Lakhs.

Consequent to the issue and allotment of the Preference Shares as aforesaid, the Issued, Subscribed and Paid-up Preference Share Capital of the Company stands increased from ₹ 4,060 Lakhs to ₹ 4,510 Lakhs and the Equity Share Capital stands at ₹ 709 Lakhs as on 31st March, 2014.

5. DIVIDEND

In view of the losses suffered by your Company during the year under review your Directors do not recommend any dividend for the 2013-14.

6. DIRECTORS

In view of the provisions of the Companies Act, 2013 'Act', Mr. Radhey Shyam Jalan (DIN: 00578800) and Mr. Barun Kumar Singh (DIN: 05292536) have now become retiring Directors. Thus they retire from the 'Board' by rotation this year and being eligible, offer themselves for re-appointment. The information as required to be disclosed under clause 49 of the Listing Agreement in case of re-appointment of Directors is provided in the Notice of the ensuing Annual General Meeting.

Pursuant to section 149(4) of the 'Act', every Listed Company is required to appoint at least one third of its Directors as Independent Directors. The 'Board' already has one half of its Directors in the category of Independent Directors in terms of the provisions of clause 49 of the Listing Agreement. The 'Board' therefore, in its meeting held on 28th May, 2014 appointed the existing Independent Directors under clause 49 as 'Independent Directors' pursuant to 'Act', subject to approval of shareholders.

As required under the 'Act' and the Rules made there under, the same is now put up for approval of shareholders at the ensuing Annual General Meeting. Necessary details have been annexed to the Notice of the meeting in terms of section 102(1) of the 'Act'.

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149(7) of the 'Act' stating that they meet the criteria of independence as provided in sub-section(6).

With the appointment of independent directors, the conditions specified in the 'Act' and the Rules made there under and also under new clause 49 of the listing agreement stand complied.

7. LISTING AND DEMATERIALISATION

The Equity Shares of the Company continued to be listed on BSE which enables the shareholders/investors to trade in the shares of the Company from any part of the country without any difficulty.

The Annual Listing Fee for the financial year 2013-14 had been paid to the concerned Stock Exchange. As the shareholders are aware, your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). Shareholders are thus requested to avail the facility of dematerialisation of the Company's shares on either of the depositories as aforesaid, if not already done.

Directors' Report

8. AUDITORS AND AUDITOR'S REPORT

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s. Agarwal Maheshwari & Co., Chartered Accountants (Firm Registration Number-314030E) are eligible to hold the office for a period of further three years.

The shareholders are requested to appoint M/s. Agarwal Maheshwari & Co., as Auditors for three years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 30th Annual General Meeting in calendar year 2017 and to fix their remuneration.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

9. AUDIT COMMITTEE

Your Company has an Audit Committee in terms of Section 292A of the Companies Act, 1956/Section 177 of the Companies Act, 2013 and 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.

10. COST AUDITORS

The 'Board' had appointed M/s. Sohan Lal Jalan & Associates (Firm Registration Number-101620, Membership No. 7442) as Cost Auditors of the Company for the year 2014-15 in its meeting held on 28th May, 2014. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting.

11. SECRETARIAL AUDITORS

The 'Board' had appointed M/s. Rakesh Agrawal & Co., Practicing Company Secretaries (Membership Number-25326) as Secretarial Auditors of the Company for the year 2014-15 in its meeting held on 28th May, 2014. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting.

12. PUBLIC DEPOSITS AND BUY BACK OF SHARES

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, if any and the Companies (Acceptance of Deposit) Rules, 1975 apply (including any statutory modification or re-enactment thereof for the time being in force).

No Buy-back of shares was proposed or pending during the financial year ended on 31st March, 2014.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, and based upon the representations received from the management, the Board of Directors of the Company hereby confirm that :

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed and there were no material departures in compliance thereto;
- (ii) they 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 for the financial year ended 31st March, 2014 and of the profit or loss of the Company for the period;
- (iii) they 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;
- (iv) they have prepared the Annual Accounts on a going concern basis.

14. 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.

Directors' Report

15. BUSINESS SUSTAINABILITY

Your Company believes that corporates are responsible to the society for their activities and owe a great deal to the environment in which they operate. Thus your Company endeavors to establish policies, programs and practices based on certain values, and the core elements of CSR activities of your Company includes ethical functioning, respect for all stakeholders, protection of human rights and care for the environment.

During the year under review your Company took steps to cover issues like improvement in working conditions at its factory, equity and diversity in workforce, health and education of poor, employability of needy, and overall reducing its carbon footprint and thus protecting the environment at large.

16. PARTICULARS OF EMPLOYEES

The Company had no employee during the financial year ended 31st March, 2014 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).

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of Clause 49 of Listing Agreement, entered into with the Stock Exchange wherein the shares of the Company are listed, Management Discussion and Analysis Report is annexed as **Annexure 'B'** to this Report.

18. CORPORATE GOVERNANCE REPORT

As stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange wherein the shares of the Company are listed, 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 herewith.

19. STATUTORY DISCLOSURES

For the year under review, 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 for 2014-15 as required by various provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

20. NOTE OF APPRECIATION

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by all the stakeholders, clients, consultants, bank and employees of the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 28th day of May, 2014

R. S. Jalan

Chairman and Managing Director

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Annexure to the 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 financial year ended 31st March, 2014.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

Nil

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

Nil

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

Nil

d) Power and fuel consumption :

The total energy consumption and energy consumption per unit of production is given in attached **Form – A**.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :

There was no export of the Company in financial year 2013-14. However, the Company is taking efforts to explore and develop the export market for the products of the Company.

b) Details of Foreign Exchange used and earned :

	2013-2014 (₹ in Lakhs)	2012-2013 (₹ in Lakhs)
Details of Foreign Exchange earned	NIL	NIL
Foreign Exchange used	32,746.68	31,683.43

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 28th day of May, 2014

R. S. Jalan

Chairman and Managing Director

Annexure to the Directors' Report

FORM – A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

	Current Year 2013-2014	Previous Year 2012-2013
A. Power and Fuel Consumption		
1. Electricity		
a. Purchased		
Unit (Lakhs/KWH)	96.98	113.05
Total amount (₹ in Lakhs)	748.74	690.46
Rate/Unit (₹/KWH)	7.72	6.11
b. Own generation		
i. Through Diesel Generator		
Unit (Lakhs/KWH)	–	1.92
Unit per Ltr. of Diesel Oil (KWH)	–	3.89
Cost/Unit (₹/KWH)	–	11.07
ii. Through Steam Turbine/Generator/ Waste		
Gas Recovery Power Plant		
Unit (Lakhs/KWH)	72.70	83.07
Unit per Ltr. of Fuel Oil	302.90	114.62
Cost/Unit (₹/KWH)	1.45	2.89
2. Coal		
Quantity (MT)	–	–
Total Cost (₹ in Lakhs)	–	–
Average Rate (₹/MT)	–	–
3. Furnace Oil		
Quantity (K. Ltrs.)	–	–
Total Amount (₹ in Lakhs)	–	–
Average Rate (₹/K. Ltr.)	–	–
4. High Speed Diesel Oil		
Quantity (K. Ltr.)	–	121.98
Total Amount (₹ in Lakhs)	–	54.18
Average Rate (₹/Ltrs.)	–	44.42
B. Consumption per unit of production-per tonne of pig iron		
Electricity (KWH)	256.70	308.77
Light Diesel Oil (Ltr.)	–	–
High Speed Diesel Oil (Ltr.)	–	1.91

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Annexure to the 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 | : | Nil |
| 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 | : | Rebuilding of Blast furnace was done by adopting state of art technology by MECON Ltd., Ranchi due to which the production capacity increased from 1,10,000 MTPA to 1,65,000 MTPA. |
| 2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | : | 1) Gain in MBF productivity.
2) Reduction in consumption of coke.
3) Optimizing the cost of production of hot metal. |
| 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? | : | Yes. Annular Sinter Plant with annual capacity of 3,36,600 MTPA has been successfully commissioned. |
| d] If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action | : | N.A. |

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 28th day of May, 2014

R. S. Jalan
Chairman and Managing Director

Management Discussion and Analysis Report



CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

ANNEXURE – ‘B’ TO THE DIRECTORS’ REPORT

CAUTIONARY STATEMENT

The projections made in this report may be ‘forward-looking statements’ within the meaning of applicable laws and regulations. Actual results may differ from those expressed in this report due to the influence of external and internal factors that are beyond the control of the Company such as demand-supply mechanism, climatic condition, economic condition, political scenario, Government regulations and policies, taxation, natural calamities and other conditions. All these conditions cumulatively make a significant impact on the Company’s performance. Owing to this, certain statements made in this Report pertaining to the projections, outlook, expectations, estimates etc. may differ from actuals.

1. MACRO ECONOMIC OVERVIEW- GLOBAL AND INDIAN :

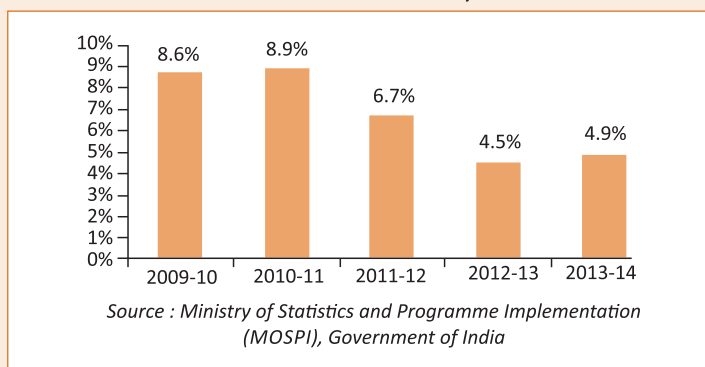
After a period of sustained weakness and uncertainty, the global economy continues along the road to recovery and may be on the verge of acceleration. According to the April 2014 World Economic Outlook, (Source : IMF), global activity has broadly strengthened and is expected to improve further in 2014–15, with much of the impetus for growth coming from advanced economies. The performance of advanced economies is gaining momentum and this should support stronger growth in developing countries in the months ahead. The first half of the year 2013-14 evidenced weak global growth with instability in the financial markets following a change in perception about a tapering of the US Federal Reserve’s quantitative easing programme; this precipitated a sell-off in emerging market assets amid a hardening of US interest rates. The second half saw some easing on account of growth led by advanced economies like the US, the Eurozone, the UK and Japan.

The Indian economy has also been significantly hit by the slowdown in the global markets. It has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (GDP) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. As per the Advance Estimates released by the Central Statistical Organisation (CSO), the Indian economy is estimated to register a growth rate of 4.9 per cent in 2013-14. This growth is significantly lower in comparison to the decadal average of 7.6 per cent during 2004-05 to 2013-14. The sub-5 per cent growth of the economy in 2013-14 is primarily the result of the continued slowdown in the industrial sector that is estimated to grow at 0.7 per cent in 2013-14 and lower growth in the service sector. On the brighter side, sectors, viz. agriculture, electricity, gas and water supply, financial, insurance, real estate

Management Discussion and Analysis Report

and business services and community, social and personal services are projected to have grown at faster rates in 2013-14 vis-à-vis 2012-13. Chart A shows the real GDP growth in India over last 5 years:

Chart A : Real GDP Growth, India



2. INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Steel Industry

After witnessing study growth in recent past the global steel industry experienced a slowdown in the last fiscal. The continuing Eurozone sovereign debt crisis, economic stagnation and a cooling of emerging market economies took a toll on the industry. Furthermore, over capacity has been a perennial problem as world crude steel production was at a record high while the average capacity utilization continued to decline on YoY comparisons. But the overall scenario is expected to improve in 2014-15. World steel demand is expected to increase 3.3 per cent to 1,523 MT with the developed economies increasingly contribution to the growth.

Indian Steel and Pig Iron Industry

Mirroring the global trend, the Indian steel sector has also reported one of its slower growth rates in recent years as well as last year as both infrastructure spending and industrial growth have declined significantly. Being a core sector, the steel industry reflects the overall economic growth of an economy in the long term. Steel consuming sectors like automobile, capital goods, construction and real estate are still under the grip of recessionary pressures and stagnant demand. Added to these are the woes of the iron ore mining sector, which is crisis hit and struggling under regulatory pressures. Even as the Indian steel sector continues to pass through a subdued phase, your Company looks up with hope towards the new government that will boost the overall market sentiment in the sagging economy.

Your Company being a part of the steel industry is thus affected at large. It manufactures pig iron which is an intermediate product as source of metalics for steel making. Other sources of metalics are either steel scrap or sponge iron. The pig iron industry caters to the foundry sector-primarily, engineering product makers and automobile component manufacturers, and also to the secondary steel-making sector. In the last few months, both the engineering and automobile markets have not done well, and they continue to not do well despite all the relief given by the finance minister in the last Budget. That is the reason why the pig iron industry remained depressed.

Pig iron production majorly requires iron ore and coking coal as raw materials. Iron ore prices have fallen much this year as the slowing Chinese economy curbed its demand for the steelmaking raw material. Debates on illegal mining practices occupied centre-stage with heightened activism driving government action and judicial intervention leading to complete halt in mining at many locations which created scarcity of iron ore in the market which further created pressure on pig iron producers. But the outlook for the pig iron industry is looking better now on account of a recovering global and indian economy, pick up in global steel demand, consumption and exports and development plans of the new government stressed on housing and construction of rural and urban infrastructure.

Management Discussion and Analysis Report

3. STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS :

• Strengths and Opportunities

Your Company as a move of backward integration is having a Sinter Plant and Captive Power Plant. In Sinter making, all the iron bearing waste material of the Mini Blast Furnace (MBF) can be recycled. This has a positive bearing in reduction of production costs. With mandatory conversion of waste heat of the MBF into power for supporting the financial model, we are also rendering our duties towards protecting the environment by reducing carbon emissions.

At K I C, we consolidated our business and invested in improving technology and process. During the year under review your Company has completed modernization, up-gradation and volume enhancement of MBF at Durgapur by replacing its major equipments which has enhanced its production capacity and will bring cost benefits to the current and future business of the Company.

Further, prices of the major raw materials i.e. iron ore and coking coal are on a softening trend which is expected to reduce the cost of production of Hot Metal in the coming months. Your Company also boasts of highly competent, experienced and committed personnel which are the inherent strength and a valuable asset to the organization.

• Weaknesses and Threats

The growth in pig iron demand has strong correlation with the growth in steel demand. Unfortunately the steel demand has remained sluggish during the year due to which the demand for pig iron was also subdued. Consequently K I C being a merchant pig iron manufacturer was under pressure due to reduced market demand. Coking coal does constitute around half the cost of pig iron. As such, most of it is imported in India, its prices as well as the currency exchange rates have a huge bearing on the viability of pig iron producers. Non availability of right quality of iron-ore in adequate quantity, low demand conditions of steel during the year, coupled with crisis hit iron ore mining industry which was adversely affected by regulatory and environmental concerns aggravated the problems for the industry. The only way to substantially reduce the cost of iron ore and coking coal is to have ownership of these raw materials for which the Company is evaluating options at present. The infrastructural constraints at ports and difficulty in rail-rake availability pose problems in transportation of raw materials while the road transportation cost, both for iron ore and coal, are steadily going up over time which again poses threats.

While steelmakers/pig iron makers are most threatened by excess capacity as they strive to maintain their profitability, they are also exposed to cost related threats. Further, your Company also recognises global warming and climate change as serious concerns. On this front through its waste heat recovery based Captive Power Plant your Company is continuously endeavouring to reduce its carbon footprints.

4. RISKS AND CONCERNS

The process of Risk Management in the Company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The Company has identified and categorized risks in the areas of Operations, Finance and Marketing, Regulatory Compliances and Corporate matters. Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation.

On the financial front, the Company has not borrowed any amount in foreign currency however the foreign exchange fluctuations may affect the prices of raw material more particularly coking coal which is being imported. Credit policy of the Company is primarily based on the customer profile. The Management does not perceive any major technological, environmental and/or financial risks for the Company in the near future.

5. FUTURE OUTLOOK

There are signs of recovery and the steel market is expected to firm up in 2014-15. It anticipated that the down cycle of the steel industry is coming to an end and the new fiscal would be a year of consolidation. In domestic market, with reduction in the excise duty, automobile and manufacturing sectors are expected to pick up. Also, construction sector is bound to grow with good number of pending projects that were cleared by the government in the past 6-8 months and with the investment planned in the infrastructure sector in the 12th Five Year Plan. These steps could help in revival of investment and growth in the economy. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2014-15 vis-à-vis 2013-14. All this should augur well for the steel industry. The outlook

Management Discussion and Analysis Report

for pig iron industry is also expected to remain positive owing to revival in demand in certain user industries as mentioned above. Coupled with cost control measures, rising demand and focus on backward integration your Company remains optimistic of overcoming the current and any future obstacles.

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

During the year, Company was engaged mainly in the manufacture of pig iron which is the only reportable segment in accordance with the Accounting Standard-17 issued pursuant to the Companies (Accounting Standards) Rules, 2006.

The Company produced 62,833 MT of Hot Metal in 2013-14 compared to 63,718 MT in the previous year. In 2013-14 the Company sold 60,937 MT of Hot Metal compared to 64,092 MT to achieve a turnover of ₹ 49,357 Lakhs in comparison to ₹ 50,341 Lakhs in the previous year. In 2013-14, the Company incurred a loss of ₹ 434.81 Lakhs against a profit of ₹ 221.13 Lakhs in 2012-13.

During last fiscal the focus of the operation was on cost control. The Mini Blast Furnace of the Company at Durgapur was rebuilt and modernized to reduce the cost of operations. Further, its capacity was increased from 1,10,000 MTPA to 1,65,000 MTPA with technological interventions. The 3,36,600 MPTA Sinter Plant and 4.7 MW Captive Power Plant were also operational with the MBF. These investments are likely to help the Company to improve productivity and reduce cost in the coming years.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

K I C Metaliks Limited has an adequate system of internal control, commensurate with the size and nature of its business to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures. The Audit Committee of the 'Board' continuously reviews the significant observations, if any, of the Internal and Statutory Auditors on financials.

8. INDUSTRIAL RELATIONS AND HUMAN RESOURCES

We recognize human resource as the primary source of our competitiveness and continue to focus on their development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. Industrial relations at the factory continued to remain cordial. As on 31st March, 2014 we have 270 employees on our payroll.

Corporate Governance Report



CORPORATE OVERVIEW

ANNEXURE – ‘C’ TO THE DIRECTORS’ REPORT

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company’s philosophy is to conduct business with ethical standards, transparent governance practices and highest standards of professionalism, fairness and integrity for the growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. The Company believes that organizations have both economic and social objectives and the principles of Corporate Governance are applied to achieve both these goals.

Through the Corporate Governance mechanism, the Board along with its Committees and senior management endeavors to strike the right balance with its various stakeholders. The Board further believes that it has a fiduciary relationship and a corresponding duty to all its stakeholders viz. customers, creditors, employees, vendors, community, the Government and shareholders, to ensure that their rights are well protected. At the highest level, the Board continuously endeavors to improve upon governance aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

We present hereunder our report on compliance of Corporate Governance conditions specified in Clause 49 of the Listing Agreement(s).

2. BOARD OF DIRECTORS

- 2.1 The Board of Directors of the Company, ‘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 as entered into with the Bombay Stock Exchange where the shares issued by the Company are listed. As on March 31, 2014 the ‘Board’ comprised of 4 Directors, of which 2 are Independent Non-Executive Directors, 1 Managing Director and 1 Whole time Director.
- 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 have been made by all the Directors.

During the financial year 2013-14, six meetings of the ‘Board’ were held on 30th May, 2013; 14th August, 2013; 14th November, 2013; 30th January, 2014; 14th February, 2014 and 31st March, 2014. The composition of the ‘Board’ and their attendance at the Board meetings held during the last fiscal year and at the last Annual General

STATUTORY REPORTS

FINANCIALS STATEMENTS

Corporate Governance Report

Meeting, and the number of other directorship and Board Committees' membership/chairmanship held in other Public Companies are as follows :

Name and Category of the Directors	Attendance at Board Meetings	Attendance at the Last AGM	No. of other Directorship held #		No. of other Committee membership held #	
			As Member	As Chairman	As Member	As Chairman
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	6	Yes	1	Nil	Nil	Nil
Mr. Barun Kr. Singh (Executive, Whole Time Director)	6	No	Nil	Nil	Nil	Nil
Mr. S. K. Singhal (Non-Executive, Independent)	5	Yes	Nil	Nil	Nil	Nil
Mr. L. N. Sharma (Non-Executive, Independent)	6	No	3	Nil	Nil	Nil

Excludes Directorship/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 Company to rectify the instances of non-compliance, if any.

2.4 A Code of Conduct 'Code' for the Board of Directors (including Independent Directors), Key Managerial Personnel and Senior Management of the Company as adopted is made available on the Company's website, **www.kicmetaliks.com**.

The Company has received confirmation from all the Directors (including Independent Directors), Key Managerial Personnel and Senior Management Personnel of the Company regarding compliance of the 'Code' for the period ended 31st March, 2014.

DECLARATION

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), all the members of the Board of Directors (including Independent Directors), Key Managerial Personnel 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, 2014.

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 28th day of May, 2014

R. S. Jalan

Chairman and Managing Director

3. BOARD COMMITTEES

A. Audit Committee

- 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.
- The terms of reference, role and scope of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange(s).

Corporate Governance Report

- (c) The Audit Committee consists of three Directors, all of whom are persons with considerable financial experience and expertise. The Committee has two Independent, Non-Executive Directors and one Executive Director. Mr. S. K. Singhal, Chairman of the Committee is an Independent Director and was present at the last Annual General Meeting of the Company held on 27th September, 2013. Mr. Singhal, is a Mechanical Engineer with MBA (Finance) having an experience of around 15 years in the field of Project Management, Project Procurement, Contracting and Logistics in Oil and Petrochemical Industry and Steel Industry.
- (d) The Audit Committee met 4 (four) times during the financial year 2013-14 i.e. on 30th May, 2013; 14th August, 2013; 14th November, 2013 and 14th February, 2014 and not more than four months have elapsed between two meetings.
- (e) Present composition of the Audit Committee and details of the meetings attended by the members are given below :

Name and Category of the Directors	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. L. N. Sharma* (Non-Executive, Independent)	Chairman*	4	4
Mr. S. K. Singhal* (Non-Executive, Independent)	Member/Chairman*	4	3
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	Member	4	4

* Mr. S. K. Singhal was appointed as the Chairman of the Audit Committee in place of Mr. L. N. Sharma w.e.f. 14th August, 2013.

- f) The Audit Committee meetings are attended by the Chief Financial Officer of the Company. The Internal Auditors and Statutory Auditors are invited to each meeting of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

B. Remuneration Committee

- a) The Company also has a Remuneration Committee of 'Board'. All the members are Non-Executive, Independent Directors. The Remuneration Committee met once on 30th January, 2014 during the financial year 2013-14.
- b) The composition of the Remuneration Committee as on 31st March, 2014 and attendance at the meeting of the Committee during financial year 2013-14 is as under :

Name and Category of the Directors	Position held	No. of Remuneration Committee Meetings	
		Held	Attended
Mr. S. K. Singhal (Non-Executive, Independent)	Chairman	1	1
Mr. L. N. Sharma (Non-Executive, Independent)	Member	1	1

- c) **Terms of Reference** : The committee has the mandate to review and recommend compensation payable to the Managing/Whole Time Directors and Key Managerial Personnel 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 Managing/Whole Time Directors and Key Managerial Personnel of the Company.
- 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.

Corporate Governance Report

The details of remuneration paid to the Executive and Non-Executive Directors during the financial year ended 31st March 2014, are as follows :

a) Executive Directors :

Name and Category of the Directors	Salary including Benefits/ Allowances, etc. (₹)	Period of Contract	
		From	To
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	14,36,100	31.01.2014	30.01.2017
Mr. Barun Kr. Singh (Executive, Whole Time Director)	18,03,516	30.05.2012	29.05.2015
Total	32,39,616		

No severance fees is payable to the Executive Director on termination of the employment. The contract may be terminated by either party giving the other party three months notice. The Company does not also have any scheme for grant of Stock Options to its Managing Directors, Director or other employees at present.

b) Non-Executive Directors :

Name and Category of the Directors	Sitting Fees (₹)**	Commission (₹)	No. of shares / convertible debentures held
Mr. L. N. Sharma (Non-Executive, Independent)	Nil	Nil	Nil
Mr. S. K. Singhal (Non-Executive, Independent)	Nil	Nil	Nil

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

C. Shareholders'/Investors' Grievance Committee

The terms of reference of Shareholders'/Investors' Grievance Committee is to address the investors complaints regarding non-receipt of Annual Reports, non-receipt of declared dividends, issue of duplicate certificates, and other allied complaints and provide for their speedy redressal. The committee also evaluates performance and service standards of Registrar and Share Transfer Agents of the Company and also provides continuous guidance to improve the service levels for investors. The Registrar and Share Transfer Agents address the shareholders'/investors' grievance within a period of 15 days from the date of receipt.

During the year 2013-14, the committee met 4 (Four) times on 30th May, 2013; 14th August, 2013; 14th November, 2013 and 14th February, 2014.

The committee consists of three Directors, out of which two are Independent Directors and one is an Executive Director.

The composition of the Shareholder's/Investor's Grievance Committee and the attendance of member Directors during the financial year 2013-14 are as follows :

Name and Category of the Directors	Position held	No. of Investor Grievance Committee Meetings	
		Held	Attended
Mr. L. N. Sharma (Non-Executive, Independent)	Chairman	4	4
Mr. S. K. Singhal (Non-Executive, Independent)	Member	4	3
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	Member	4	4

Corporate Governance Report

Name, designation and address of Compliance Officer :

Mrs. Ruchika Fogla (Dhanuka)
Company Secretary
K I C Metaliks Limited
"Sir RNM House" 3B, Lal Bazar Street,
4th Floor, Room No. 2, Kolkata – 700001.
Phone: +91-33-30688681/83
Fax: +91-33-40019636
E-mail : companysecretary@kicmetaliks.com

Shareholder/Investor Complaints :

Particulars	Nos.
Number of complaints pending as on 1st April, 2013	1
Number of complaints received during 1st April, 2013 to 31st March, 2014	1
Number of complaints disposed off during the year ended on 31st March, 2014	2
Number of complaints pending as on 31st March, 2014	Nil

D. Finance Committee

The committee looks after the matters pertaining to finance such as issue and allotment of securities, borrowings from banks and other corporate bodies, budget, investment, etc.

The committee is headed by Mr. S. K. Singhal, Independent Director. Mr. L. N. Sharma, Independent Director and Mr. R. S. Jalan, Chairman and Managing Director are the members of the said committee. The Statutory Auditors and Chief Financial Officer of the Company are invited on a regular basis to attend Finance Committee meetings.

During the financial year 2013-2014, the Finance Committee was dissolved on 14th August, 2013.

E. Share Transfer Committee

The Share Transfer Committee comprised of 3 Directors and the Company Secretary acts as the Secretary of the committee.

The committee deals with 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, etc.
- To review de-materialisation and re-materialisation of the shares of the Company.

During the financial year 2013-14, the committee was dissolved on 14th August, 2013 and the authority to approve the requests for transfer/transmission, split and remat/demat of shares, etc. was transferred to the Company Secretary.

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2012-13	27.08.2013	10:00 A.M.	Rotary Sadan, Shripati Singhania Hall, 94/2, Chowringee Road, Kolkata - 700020
2011-12	28.09.2012	10:00 A.M.	Rotary Sadan, Shripati Singhania Hall, 94/2, Chowringee Road, Kolkata - 700020
2010-11	26.08.2011	10:00 A.M.	Rotary Sadan, Shripati Singhania Hall, 94/2, Chowringee Road, Kolkata - 700020

Corporate Governance Report

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

Shareholder's Meeting	Business requiring Special Resolution
26th Annual General Meeting held on 27.08.2013	Nil
25th Annual General Meeting held on 28.09.2012	Nil
24th Annual General Meeting held on 26.08.2011	Nil

c) Details regarding resolutions passed through Postal Ballot during financial year 2013-14 :

During the financial year 2013-14, no resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing resolutions through Postal Ballot.

d) Extraordinary General Meeting :

No Extraordinary General Meeting of the shareholders was held during the financial year 2013-14.

5. OTHER DISCLOSURES

- a) The particulars of transactions between the Company and its related parties as per Accounting Standard (AS-18) are disclosed in Notes to the Financial Statements (Note No. 30) in the Annual Report 2013-14. There are no materially significant related party transactions that may have had potential conflict of interest with the Company at large.
- b) 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 maintained as per provisions of Section 301 of the Companies Act, 1956 have been duly entered therein.
- c) 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 as prescribed in an Accounting Standard.
- d) The procedures for risk assessment and minimisation have been disclosed in point no. 4 of the Management Discussion & Analysis report forming part of the Directors' Report.
- e) During the financial year 2013-14, 45,00,000 7%, Non-Cumulative Redeemable Preference Shares have been issued to other investors. The relevant details have already been provided in the Director's Report.
- f) The relevant disclosures on the remuneration of Directors have been included under "Remuneration Policy" in this report.
- g) Management Discussion and Analysis Report forms a part of the Director's Report.
- h) The Company has duly complied with the requirements of the regulatory authorities on Capital Market. No penalties, 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 three years.
- i) 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.
- j) As required under section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement the Company has set up Vigil Mechanism for Directors and Employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization or Director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Vigil Mechanism is also posted on the website of the Company, www.kicmetaliks.com.
- k) The Company does not have any subsidiary.
- l) 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.

Corporate Governance Report

6. MEANS OF COMMUNICATION

(a)	Quarterly Results	
(b)	(i)	Which newspapers normally published in : English Bengali
	(ii)	Any website displayed :
(c)	Whether website also displays official news releases	
(d)	Whether presentations made to institutional investors or analysts	

7. GENERAL SHAREHOLDER INFORMATION

(a)	AGM : Date and Day	9th September, 2014 (Tuesday)
	Time	10:00 A.M.
	Venue	Rotary Sadan, Shripati Singhania Hall, 94/2, Chowringee Road, Kolkata - 700020
(b)	Financial Calendar (tentative and subject to change)	
	Financial reporting for the quarter ending 30th June, 2014	By End July, 2014
	Financial reporting for the quarter ending 30th September, 2014	By End October, 2014
	Financial reporting for the quarter ending 31st December, 2014	By End January, 2015
	Financial reporting for the year ending 31st March, 2015	By End May, 2015
(c)	Book Closure period	From 3rd September, 2014 to 9th September, 2014 (both days inclusive)
(d)	Dividend Payment Date	The Directors have not recommended any dividend for the financial year 2013-14
(e)	Listing on Stock Exchange(s)	
	The Company's securities are currently listed at BSE Limited	Scrip Code – 513693, Scrip ID-KAJARIR
(f)	Listing & Custodian Fees for the financial year 2013-14	
	The Company has paid the Listing Fees for the financial year 2013-2014 to BSE Limited. The Company has also paid custodian fees for the year 2013-14 to National Securities Depository Limited and Central Depository Services (India) Limited	ISIN No. : INE 434C01019 Depository Connectivity : NSDL and CDSL

(g) Market Price Data :

High/low (based on the closing prices) and number of shares traded during each month in the financial year 2013-14 on the BSE Limited.

Month	High Price(₹)	Low Price (₹)	Close Price (₹)	No. of Shares	BSE Sensex Close
April 2013	73.00	61.00	70.35	2,45,581	19,504.18
May 2013	78.75	67.65	68.00	2,763	19,760.30
June 2013	75.60	70.00	75.60	1,42,250	19,395.81
July 2013	75.60	75.60	75.60	50	19,345.70
August 2013	0.00	0.00	0.00	0	18,619.72
September 2013	0.00	0.00	0.00	0	19,379.77
October 2013	72.00	71.85	72.00	16	21,164.52
November 2013	69.00	69.00	69.00	100	20,791.93
December 2013	65.60	65.60	65.60	25	21,170.68
January 2014	65.00	37.10	37.10	2,025	20,513.85
February 2014	37.05	28.95	30.35	2,676	21,120.12
March 2014	50.51	31.85	47.00	3,98,619	22,386.27

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Corporate Governance Report

(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 Ltd. Share Price	BSE Sensex
On 1st April , 2013	66.30	18,890.81
On 31st March, 2014	47.00	22,386.27
% change	(-) 29.11	(+) 18.50

(i) Registrar and Transfer Agents

M/s. S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street

Kolkata- 700 006

Phone : 91-33-22194815/6797

(j) Share Transfer System

The share transfer/transmission/splits and/or issue of duplicate share certificates are processed on behalf of the Company by the Registrar and Transfer Agents, M/s. S. K. Infosolutions Pvt. Ltd. and is then placed before the Company Secretary who has been delegated the authority by Share Transfer Committee to approve transfers. The Company Secretary addresses all the requests fortnightly.

(k) Distribution of Shareholding as on 31st March, 2014 :

Range or Equity Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1884	89.87	2,35,121	3.31
501 - 1000	93	4.44	74,227	1.05
1001 - 2000	41	1.96	61,541	0.87
2001 - 3000	15	0.72	39,528	0.56
3001 - 4000	9	0.43	32,801	0.46
4001 - 5000	5	0.24	23,153	0.33
5001 - 10000	13	0.62	94,452	1.33
10001 - 50000	23	1.1	4,60,049	6.47
50001 - 100000	5	0.24	3,55,220	5.00
100001 and Above	8	0.38	57,23,108	80.62
Total	2,096	100.00	70,99,200	100.00

(l) Category wise Shareholding as on 31st March, 2014 :

Name of the Shareholders	No. of Shares Held	% Holding
Promoters Holding	37,17,971	52.38
Non-Promoters Holding		
- Financial Institutions	—	0.00
- Bodies Corporate	28,00,817	39.45
- NRI and Foreign Company	3,921	0.05
Indian Public	5,76,491	8.12
Total	70,99,200	100

Corporate Governance Report

(m) Dematerialisation of shares and liquidity as on 31st March, 2014 :

Particulars of Shares	Equity Shares of ₹ 10/- each	
	Number	% of Total
Dematerialised Form		
a) NSDL	52,18,846	73.51
b) CDSL	17,72,098	24.96
Sub Total	69,90,944	98.47
Physical Form	1,08,256	1.53
Total	70,99,200	100.00

The Equity Shares of the Company are compulsorily traded in dematerialized form on BSE Limited. Hence the shares enjoy enough liquidity in the market.

(n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely equity

(o) Plant Locations :

Pig Iron and Cement Plant

Raturia, Angadpur, Durgapur – 713 215
West Bengal
Phone: +91-9874943342

(p) Address for Correspondence

Registered Office :
“Sir RNM House” 3B, Lal Bazar Street
4th Floor, Room No.2, Kolkata – 700 001
Phone : +91-33-30688681/30688683
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, 2014

R. S. Jalan

Chairman and Managing Director

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Auditors' Certification

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 Ltd. for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company as entered into with Stock Exchange where the shares of the Company are listed.

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 one month as at 31st March, 2014 against the Company as per records maintained by the Shareholders/Investor 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 MAHESHWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2014

CEO/CFO Certification

CERTIFICATE UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT WITH STOCK EXCHANGE(S)

We, Mr. Radhey Shyam Jalan, Managing Director and Mr. Mukesh Bengani, Chief Financial Officer, responsible for the finance function, certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We 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 we 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.

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

For **K I C METALIKS LIMITED**

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 28th day of May, 2014

Radhey Shyam Jalan
Chairman and Managing Director

Mukesh Bengani
Chief Financial Officer

Independent Auditors' Report

TO THE MEMBERS OF K I C METALIKS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of K I C Metaliks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular no. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Note No. 1 to 38, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003; as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Independent Auditors' Report

2. As required by section 227(3) of the Act, we report that :

- (a) 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;
- (b) 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 those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, comply with the Accounting Standards notified under the Act read with the General Circular No. 15/2013 dated September, 2013 of the Ministry of Corporate of Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Date : The 28th day of May, 2014

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Annexure to the Independent Auditors' Report

Referred to in our Auditors' Report of even date to the members of K I C Metaliks Limited on the financial statements as of and for the year ended on March 31, 2014.

1. In respect of its fixed assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) As per the explanation and information given to us and in accordance with Note No.-31, a major part of Mini Blast Furnace was dismantled and the same was substituted by a new Blast Furnace, hence it will not affect the going concern assumption of the Company.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4 (iii){(b),(c) and (d) / (f) and (g)} of the said Order are not applicable to the Company.
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 for the purchase of inventories and fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements and exceeding the value of five lakhs in respect of parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, paragraph 4 (vi) of the Order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are of the opinion on that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues :
 - (a) According to the records of Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.

Annexure to the Independent Auditors' Report

- (b) The disputed statutory dues aggregating ₹ 1,27,08,258.00/- that have been not deposited on the account of disputed matters pending before 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	Cenvat used	9,27,007	2005	CESTA Tribunal
Central Excise Act, 1944	Excise Duty	1,17,81,251	2006	CESTA Tribunal

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. According to 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. Accordingly, paragraph 4 (xii) of the Order is not applicable to the Company.
13. As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in Shares, Securities, Debentures and other investments.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, paragraph 4 (xv) of the Order is not applicable to the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion the term loans were used for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to the information and explanations given to us and the records examined by us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraph 4 (xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and the records examined by us, the Company has not issued any secured debentures during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable to the Company.
20. According to the information and explanations given to us and the records examined by us, the Company has not raised any money by public issue during the year. Accordingly, paragraph 4 (xx) of the Order is not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Date : The 28th day of May, 2014

Balance Sheet

as at 31st March, 2014

(₹ in Lakhs)

	Note No.	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	5,219.92	4,769.92
Reserves and Surplus	3	3,623.46	4,058.27
		8,843.38	8,828.19
Non-Current Liabilities			
Long-Term Borrowings	4	6,160.94	4,280.09
Deferred Tax Liabilities (Net)	5	734.08	734.08
Long-Term Provisions	6	49.45	37.34
		6,944.47	5,051.51
Current Liabilities			
Short-Term Borrowings	7	1,790.66	1,685.04
Trade Payables	8	15,007.69	12,496.24
Other Current Liabilities	9	4,671.80	2,749.48
Short-Term Provisions	10	103.25	110.61
		21,573.40	17,041.37
TOTAL		37,361.25	30,921.07
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	14,758.25	12,369.06
Intangible Assets	11	70.27	93.71
Capital Work-in-Progress		135.82	190.38
		14,964.34	12,653.15
Current Assets			
Inventories	12	16,960.30	13,719.60
Trade Receivables	13	838.89	1,394.59
Cash and Bank Balances	14	583.76	407.21
Short-Term Loans and Advances	15	1,925.98	288.23
Other Current Assets	16	2,087.98	2,458.29
		22,396.91	18,267.92
TOTAL		37,361.25	30,921.07

Significant Accounting Policies

1

The annexed notes (1 to 38) are an integral part of these financial statements.

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2014

Annual Report 2013-14

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

Ruchika Fogla (Dhanuka)

Company Secretary

S. K. Singhal

Director

Statement of Profit and Loss

for the year ended 31st March, 2014

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
REVENUE			
Revenue from Operations (Net)	17	47,441.91	48,079.58
Other Income	18	1,530.59	1,981.99
Total Revenue		48,972.50	50,061.57
EXPENSES			
Cost of Materials Consumed	19	14,134.73	15,201.63
Purchase of Stock-in-Trade	20	31,007.78	28,554.93
Changes in Inventories of Finished Goods and Stock-in-Trade	21	(539.71)	152.60
Employee Benefits Expense	22	795.42	930.40
Finance Costs	23	1,089.93	1,652.17
Depreciation and Amortization Expense		963.69	978.50
Other Expenses	24	1,641.97	1,875.77
		49,093.81	49,346.00
Less : Captive Consumption of Cement		2.29	–
Total Expenses		49,091.52	49,346.00
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(119.02)	715.57
Exceptional Items (Loss on Sale/Discard of Fixed Assets)	25	314.14	300.80
PROFIT/(LOSS) BEFORE TAX		(433.16)	414.77
Tax Expense			
(1) Current Tax [Including ₹ 1.65 Lakhs (₹ 38.43 Lakhs) for earlier years]		1.65	121.65
Less : MAT Credit Entitlement		–	82.99
Net Current Tax		1.65	38.66
(2) Deferred Tax		–	154.98
Total Tax Expenses		1.65	193.64
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		(434.81)	221.13
Earnings per Equity Share in (₹)			
Basic and Diluted (Refer Note 32)		(6.12)	3.11

The annexed notes (1 to 38) are an integral part of these financial statements.

In terms of our report of even date attached
For **AGARWAL MAHESWARI & CO.**
FRN No. 314030E
Chartered Accountants

D. R. Agarwal
Partner
Membership No. 051484
Place : Kolkata
Dated : The 28th day of May, 2014

For and on behalf of the Board of Directors

R. S. Jalan
Chairman and Managing Director

Ruchika Fogla (Dhanuka)
Company Secretary

S. K. Singhal
Director

Annual Report 2013-14

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Cash Flow Statement

for the year ended 31st March, 2014

(₹ in Lakhs)

	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Taxes and Exceptional items	(119.02)	715.57
Adjustments for :		
Depreciation and Amortization	963.69	978.50
Interest Income	(106.15)	(265.13)
Finance Costs	1,089.93	1,652.17
	1,947.47	2,365.54
Operating Profit before Working Capital Changes	1,828.45	3,081.11
Adjustments for :		
(Increase)/Decrease in Inventories	(3,240.70)	(1,793.52)
(Increase)/Decrease in Trade Receivables	555.70	1,398.47
(Increase)/Decrease in Other Current Assets	370.31	(906.02)
(Increase)/Decrease in Short-Term Loans & Advances	(1,637.75)	186.85
Increase/(Decrease) in Trade Payables	2,511.45	1,429.39
Increase/(Decrease) in Long-Term Provisions	12.11	5.13
Increase/(Decrease) in Other Long-Term Liabilities	–	(1,068.67)
Increase/(Decrease) in Other Current Liabilities	1,922.32	678.85
Increase/(Decrease) in Short-Term Provisions	(7.36)	(389.88)
	486.08	(459.40)
Cash generated from Operations	2,314.53	2,621.71
Direct Taxes (Net)	(1.65)	(193.64)
Net Cash from Operating Activities	2,312.88	2,428.07
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Capital Work-in-Progress	(3,814.91)	(568.42)
Interest Received	106.15	265.13
Cash flow from sale of Fixed Assets	225.89	361.86
Net Cash (used in)/from Investing Activities	(3,482.87)	58.57

Cash Flow Statement

for the year ended 31st March, 2014

	Year Ended 31.03.2014	Year Ended 31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Share Capital Including Premiums	450.00	1,635.00
Increase/(Decrease) in Working Capital	105.62	(11.74)
Proceeds from Long-Term Borrowings	2,986.90	88.42
Repayment of Long-Term Borrowings	(1,106.05)	(1,196.50)
Repayment of Short-Term Borrowings	–	(1,697.15)
Increase in Deferred Tax Liability (Net)	–	154.99
Bank Balances not considered as cash and cash equivalents	(134.36)	196.18
Finance Costs	(1,089.93)	(1,652.17)
Net Cash (used in)/from Financing Activities	1,212.18	(2,482.97)
Net increase/(Decrease) in Cash & Cash Equivalents	42.19	3.67
Cash and Cash Equivalents as at the beginning of the year	16.64	12.97
Cash and Cash Equivalents as at the end of the year	58.83	16.64

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) Previous Year figures have been regrouped/reclassified, wherever considered necessary.

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2014

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

Ruchika Fogla (Dhanuka)

Company Secretary

S. K. Singhal

Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of K I C Metaliks Ltd for the year ended 31st March, 2014. 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 Statement of Profit and Loss and Balance Sheet of the Company covered by our report of 28th May, 2014 to the members of the Company.

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Place : Kolkata

Date : The 28th day of May, 2014

Membership No. 051484

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

1. SIGNIFICANT ACCOUNTING POLICIES :

a) 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, the Accounting Standards notified under the companies (Accounting Standards) Rules 2006 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 recognized in the period in which the results are known/materialized.

b) FIXED ASSETS AND DEPRECIATION/AMORTIZATION

- i] Fixed assets are stated at cost less net of recoverable taxes, and subsequent improvements thereto including non recoverable taxes, duties, freight and other incidental expenses related to acquisition and installation are added to the cost of fixed assets.
- ii] 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. Intangible Assets are amortized over a period of five years.

c) 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.

d) REVENUE RECOGNITION

Revenue is recognized 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 recognized 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 and Cess thereon.

e) 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 recoverable taxes), labours and factory overheads. Finished products also include Excise Duty on product manufactured.

f) FOREIGN CURRENCY TRANSACTION

- i) *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 on the date of transaction.
- ii) *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.
- iii) *Exchange difference* – Exchange difference arising on the settlement or conversion of monetary current assets and liabilities are recognized as income or as expenses in the year in which they arise.

g) 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.

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

h) 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.

i) PRIOR PERIOD ADJUSTMENTS

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

j) 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 Statement of Profit and Loss.

k) 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 Statement of Profit and Loss as income and/or expense.

l) 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 Shares 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.

m) 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.

n) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

		As at 31.03.2014		As at 31.03.2013	
		Number	(₹ In Lakhs)	Number	(₹ In Lakhs)
2. SHARE CAPITAL					
a) Authorised :					
Equity Shares of ₹ 10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00	
Preference Shares of ₹ 10 each	7,50,00,000	7,500.00	7,50,00,000	7,500.00	
Total		10,000.00		10,000.00	
b) Issued, Subscribed And Fully Paid up Equity Shares of ₹ 10 each fully paid up					
Balance at the beginning of the year	70,99,200	709.92	70,99,200	709.92	
Add : Addition during the year	–	–	–	–	
Balance at the end of the year 'A'	70,99,200	709.92	70,99,200	709.92	
7% Redeemable Non-Cumulative Preference Shares of ₹ 10 each fully paid up					
Balance at the beginning of the year	4,06,00,000	4,060.00	2,42,50,000	2,425.00	
Add: Addition during the year	45,00,000	450.00	1,63,50,000	1,635.00	
Balance at the end of the year 'B'	4,51,00,000	4,510.00	4,06,00,000	4,060.00	
Total (A+B)		5,219.92		4,769.92	
c) Shares held by Holding Company :	Number of Shares held	% of Shares held			
Equity Shares					
Karni Syntex Pvt. Ltd. (Holding Company)	37,17,971	52.37			
d) List of Shareholder holding more than 5 percent shares in the Company :					
Equity Shares					
Name of shareholder	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held	
i) Karni Syntex Pvt. Ltd.	37,17,971	52.37	34,21,712	48.20	
ii) Flamingo Overseas Pvt. Ltd.	6,10,000	8.59	6,10,000	8.59	
7% Redeemable Non-Cumulative Preference Shares					
Name of shareholder					
i) Shivsai Tieup Pvt. Ltd.	66,50,000	14.75	66,50,000	16.38	
ii) Stardox Vinimoy Pvt. Ltd.	30,70,000	6.81	30,70,000	7.56	
iii) Ushita Trading & Agencies Pvt. Ltd.	25,30,000	5.61	25,30,000	6.23	
iv) Super Dealtrade Pvt. Ltd.	–	–	24,00,000	5.91	
v) Divya Electronics Pvt. Ltd.	38,50,000	8.54	29,00,000	7.14	
vi) Potential Electricals & Electronics Pvt. Ltd.	37,50,000	8.31	29,50,000	7.27	
vii) Vivek Tracom Pvt. Ltd.	29,50,000	6.54	–	–	
viii) Prachi Projects Pvt. Ltd.	45,00,000	9.98	–	–	

Rights, Preferences and Restrictions attached to Shares

- a) The Equity shares of the Company have par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. All these Equity Shares have same right with respect to payment of dividend, repayment of capital and voting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of preferential amounts, in proportion to their shareholding.

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

- b) The Company has 7% Redeemable Non-Cumulative Preference Shares having a nominal value of ₹ 10 per share. The Preference Shareholders shall have the right to vote on any resolution of the Company directly affecting their rights. The Preference shares would be redeemable within nineteenth year from the date of allotment however, it may be redeemed at any time after five years from the date of allotment at the option of the Company, subject to approval from statutory bodies and financial institutions, if any. In the case of liquidation, the Preference shareholder will be preferred over the Equity shareholder for the distribution of remaining assets of the Company.

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
3. RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance at the beginning of the year	300.00	300.00
Add : Addition during the year	–	–
Balance at the end of the year 'A'	300.00	300.00
Securities Premium Reserve		
Balance at the beginning of the year	1,973.88	1,973.88
Add : Addition during the year	–	–
Balance at the end of the year 'B'	1,973.88	1,973.88
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	1,784.39	1,563.26
Add : Profit after tax for the year	(434.81)	221.13
Balance at the end of the year 'C'	1,349.58	1,784.39
Total (A+B+C)	3,623.46	4,058.27
4. LONG-TERM BORROWINGS		
Term Loans		
From Banks (Secured)	2,200.00	3,300.00
From Others (Unsecured)	3,960.00	973.10
Deferred Payment Liabilities (Secured)	0.94	6.99
	6,160.94	4,280.09

The Term loan from bank are repayable in 20 equal quarterly instalments of ₹ 275 Lakhs each commencing from June 2012. The rate of interest on Term loan from Banks varies from 14.45% to 14.95% and secured by way of first charge on entire fixed assets of the Company and second charge by way of hypothecation on the entire stocks of inventory, receivables, bills and other chargeable current assets of the Company (both present and future) and corporate guarantee of Promoter Company and personal guarantee of Promoter Director. Deferred payment liability are secured by way of hypothecation of respective assets, acquired on deferred payment credit basis.

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

	As at 31.03.2013	Charge/(Credit)to the Statement of Profit and Loss	As at 31.03.2014
5. DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities			
Difference between Book and Tax Depreciation	1,178.26	151.60	1,329.86
Deferred Tax Assets			
Unabsorbed Depreciation & Business Losses as per Income Tax Act	432.07	151.60	583.67
Provision for employee benefits	9.84	–	9.84
Others	2.27	–	2.27
	444.18	151.60	595.78
Deferred Tax Liabilities (Net)	734.08	–	734.08
		As at 31.03.2014	As at 31.03.2013
6. LONG-TERM PROVISIONS			
Provision for Employee Benefits		49.45	37.34
		49.45	37.34
7. SHORT TERM BORROWINGS			
Loans Repayable on Demand		1,790.66	1,685.04
Working Capital from Banks (Secured)		1,790.66	1,685.04
The working capital loans from Banks are secured by way of 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 second charge on fixed assets of the Company and corporate guarantee of Promoter Company and personal guarantee of Promoter Director.			
8. TRADE PAYABLES			
Total Outstanding due of Creditors		15,007.69	12,496.24
		15,007.69	12,496.24
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, 2014. 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 available information with the Company.			

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
9. OTHER CURRENT LIABILITIES		
Current Maturities of Term Loan of Banks	1,375.00	1,375.00
Current Maturities of Deferred Payment Liabilities	5.74	28.67
Other Payables		
Statutory Liabilities	325.35	459.89
Advances from Customers	2,770.77	739.03
Other Payables	130.86	38.17
Interest Payable on Borrowings	64.08	108.72
	4,671.80	2,749.48
10. SHORT-TERM PROVISIONS		
Provision for Excise Duty	20.03	27.39
Provision for Taxation	83.22	83.22
	103.25	110.61

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

11. FIXED ASSETS		(₹ in Lakhs)									
Description		GROSS BLOCK			Total Cost as at 31.03.14	DEPRECIATION			NET BLOCK		
		Cost as at 01.04.2013	Additions/ Capitalised during the Year	Deduction/ Adjustment during the Year		Upto 01.04.13	For the Year	Adjustment during the Year	Upto 31.03.14	As on 31.03.14	As on 31.03.13
I. TANGIBLE ASSETS											
	Lease hold Land	187.19	-	-	187.19	50.43	3.74	-	54.17	133.02	136.76
	Building & Shed - Factory	1,648.40	-	-	1,648.40	343.66	55.06	-	398.72	1,249.68	1,304.74
	Building - Other	27.24	-	-	27.24	3.23	0.44	-	3.67	23.57	24.01
	Plant and Equipments	14,802.00	3,864.74	1,468.14	17,198.60	4,361.54	824.86	928.11	4,258.29	12,940.31	10,440.46
	Furniture and Fixtures	44.84	0.70	-	45.54	41.92	2.86	-	44.78	0.76	2.92
	Vehicles	278.10	0.61	-	278.71	149.06	29.97	-	179.03	99.68	129.04
	Office Equipments	29.62	2.33	-	31.95	16.06	1.51	-	17.57	14.38	13.56
	Computers	30.52	1.09	-	31.61	27.81	0.23	-	28.04	3.57	2.71
	Total	17,047.91	3,869.47	1,468.14	19,449.24	4,993.71	918.67	928.11	4,984.27	14,464.97	12,054.20
	Assets Given on Lease										
	Building & Shed	256.48	-	-	256.48	103.02	8.56	-	111.58	144.90	153.46
	Plant and Equipments	246.38	-	-	246.38	85.00	13.01	-	98.01	148.37	161.38
	Furniture and Fixtures	0.15	-	-	0.15	0.13	0.01	-	0.14	0.01	0.02
	Total Assets given on Lease	503.01	-	-	503.01	188.15	21.58	-	209.73	293.28	314.86
	Total Tangible Assets	17,550.92	3,869.47	1,468.14	19,952.25	5,181.86	940.25	928.11	5,194.00	14,758.25	12,369.06
	PREVIOUS YEAR	17,834.93	392.85	676.86	17,550.92	4,240.98	955.07	14.19	5,181.86	12,369.06	13,593.95
II. INTANGIBLE ASSETS											
	Computer Software	5.22	-	-	5.22	1.07	1.05	-	2.12	3.10	4.15
	Know-How	111.95	-	-	111.95	22.39	22.39	-	44.78	67.17	89.56
	Total Intangible Assets	117.17	-	-	117.17	23.46	23.44	-	46.90	70.27	93.71
	PREVIOUS YEAR	117.17	-	-	117.17	0.03	23.43	-	23.46	93.71	117.14
	GRAND TOTAL	17,668.09	3,869.47	1,468.14	20,069.42	5,205.32	963.69	928.11	5,240.90	14,828.52	12,462.77
	PREVIOUS YEAR	17,952.10	392.85	676.86	17,668.09	4,241.01	978.50	14.19	5,205.32	12,462.77	

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
12. INVENTORIES		
<i>(As Valued and Certified by the Management, valued at Cost or Net Realisable Value whichever is lower)</i>		
Raw Materials [Included Goods in Transit ₹ 86.05 Lakhs (Previous Year ₹ 24.39 Lakhs)]	15,806.42	12,611.52
Finished Goods	788.69	248.98
Stores and Spares	365.19	859.10
	16,960.30	13,719.60
13. TRADE RECEIVABLES		
<i>(Unsecured, Considered Good)</i>		
Outstanding for a period exceeding six months from the due date of payment	169.75	183.12
Others	669.14	1,211.47
	838.89	1,394.59
14. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	3.91	12.03
Balances with Banks		
In Current Account	54.92	4.61
	58.83	16.64
Other Bank Balances		
In Fixed Deposits Account	524.93	390.57
<i>(Pledged with Bank as Margin Money for Letter of Credit)</i>		
	583.76	407.21
15. SHORT-TERM LOANS AND ADVANCES		
<i>(Unsecured, Considered Good)</i>		
Advances to Parties	1,925.98	288.23
<i>(Recoverable in Cash or in Kind or Value to be Received)</i>	1,925.98	288.23
16. OTHER CURRENT ASSETS		
Balance with Revenue Authorities	789.62	498.49
Balance with Port Trust	–	6.78
Mat Credit Entitlement	677.03	677.03
Security Deposit	123.77	116.39
Others	497.56	1,159.60
	2,087.98	2,458.29

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
17. REVENUE FROM OPERATIONS		
Sale of Goods	49,356.50	50,340.66
Less: Excise Duty	1,914.59	2,261.08
Revenue from Operations (Net)	47,441.91	48,079.58
Sales of Goods comprises		
Pig Iron	16,211.63	17,631.24
Portland Slag Cement	22.92	42.31
Coke & Coal	30,449.57	29,910.27
Others	2,672.38	2,756.84
Total Sale of Goods	49,356.50	50,340.66
18. OTHER INCOME		
Interest Income	106.15	265.13
Commission Income	1,355.76	942.24
Lease Rental	36.00	36.00
Sundry Liabilities relating to earlier years written back	32.68	148.97
Gain on transaction in commodity Exchange	–	561.19
Miscellaneous Receipts	–	28.46
	1,530.59	1,981.99
19. COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	12,611.52	9,938.21
Add : Purchases	17,329.63	16,622.44
Transfer from Traded Goods	–	1,252.50
	29,941.15	27,813.15
Less : Closing Stock	15,806.42	12,611.52
	14,134.73	15,201.63
Raw Materials Consumption Comprises		
Iron Ore	5,017.60	5,501.54
Coke	8,713.27	8,903.84
Clinker	8.30	15.16
Others	395.56	781.09
Total Raw Material Consumed	14,134.73	15,201.63
20. PURCHASE OF STOCK-IN-TRADE		
Coke & Coal	29,265.92	26,212.94
Others	1,741.86	2,341.99
	31,007.78	28,554.93

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
21. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Closing Stock of Finished Goods	788.69	248.98
	–	–
	788.69	248.98
Less : Opening Stock of Finished Goods	248.98	401.58
Traded Goods	–	1,252.50
	248.98	1,654.08
Less: Transfer to Raw Material	–	1,252.50
	248.98	401.58
(Increase)/Decrease in Inventory	(539.71)	152.60
22. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages including Bonus	723.71	847.67
Contribution to Provident and other Funds	58.64	65.84
Staff Welfare Expenses	13.07	16.89
	795.42	930.40
23. FINANCE COSTS		
Interest Expense	1,089.93	1,652.17
	1,089.93	1,652.17
24. OTHER EXPENSES		
Consumption of Stores and Spare Parts	426.50	455.66
Power and Fuel	697.69	811.18
Rent	14.64	11.49
Repairs to Buildings	–	–
Repairs to Machinery	15.49	9.20
Insurance	11.65	18.84
Rates and Taxes, excluding Taxes on Income	21.32	10.06
Carriage Outwards	48.12	197.43
Irrecoverable Debts and Advances written off	16.34	0.63
Payment to Auditor	–	–
For Statutory Audit	2.50	2.50
For Taxation Matters	0.50	0.50
For Other Services	0.48	0.23
Excise Duty and Cess on change in Inventory of Finished Goods (Refer Note 33)	(7.36)	(16.79)
Miscellaneous Expenses	394.10	374.84
	1,641.97	1,875.77
25. EXCEPTIONAL ITEMS		
Loss on Sale/Discard of Fixed Assets (Refer Note 31)	314.14	300.80
	314.14	300.80

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

26. Estimated amount of contracts remaining to be executed (Net of advances) on capital account and not provided for ₹ NIL (Previous Year ₹ 800.37 Lakhs).
27. Contingent Liabilities not provided for in respect of :
- Excise Duty Matters Pending ₹ 127.08 Lakhs (Previous Year ₹ 127.08 Lakhs) plus Interest and Penalty if any.
 - Jharkhand Entry Tax Matters Pending ₹ 81.75 Lakhs (Previous Year ₹ 81.75 Lakhs)
 - Electricity Matters with The Durgapur Projects Limited pending ₹ 97.94 Lakhs (Previous Year ₹ 97.94 Lakhs)
28. **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, 2014 under revised AS-15 norms and accordingly ₹ 10.67 Lakhs has been provided in the books in the current financial year.

i] **The summary of Key Results Data**

	As at 31.03.2014	As at 31.03.2013
Assets/Liabilities		
1. Present Value of obligation	39.49	30.33
2. Fair Value of Plan Assets	NIL	NIL
3. Net Asset/(Liability) recognized in Balance Sheet	(39.49)	(30.33)
Employer Expense	For the year ended 31.03.2014	For the year ended 31.03.2013
1. Current Service Cost	5.10	4.58
2. Total Employer Expense	10.67	5.47

ii] **Summary of Membership Data**

	As at 31.03.2014	As at 31.03.2013
Number of employee	270	237
Total Monthly Salary (₹ In Lakhs)	14.86	13.31
Average past service	6.06	5.39
Average future service (years)	21.09	20.89

iii] **Summary of Financial Assumption Data**

	As at 31.03.2014	As at 31.03.2013
Discount Rate per annum Compound	9.00% p.a.	8.25% p.a.
Rate of increase in salaries	5.00% p.a.	5.00% p.a.
Expected Rate of return on Plan Asset	N.A.	N.A.
Mortality	IALM 06-08 ultimate	LIC 94-96 ultimate
Withdrawal Rate	2.00% p.a.	2.00% p.a.

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

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, 2013

A. Funded Status	
1. Present value of Defined Benefit Obligation	30.33
2. Fair value of Plan Assets	–
3. Funded status [Surplus/(Deficit)]	(30.33)
4. Effect of Balance Sheet Asset Limit	–
5. Unrecognized Past Service Costs	–
6. Net Asset/(Liability) recognized in Balance Sheet	(30.33)

Total expense recognized in the Statement of Profit & Loss Year Ended 31st March, 2014

A. Components of Employer Expense	
1. Current Service Cost	5.10
2. Interest Cost	2.73
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)	2.84
8. Total expense recognized in the Statement of Profit & Loss	10.67
B. Actual Contribution and Benefits Payments for period ended 31st March, 2014	
1. Actual benefit payments	1.52
2. Actual Contributions	1.52

Net Asset/(Liability) recognized in the Balance Sheet – 31st March, 2014

A. Funded Status	
1. Present value of Defined Benefit Obligation	39.49
2. Fair value of Plan Assets	–
3. Funded status [Surplus/(Deficit)]	(39.49)
4. Effect of Balance Sheet Asset Limit	–
5. Unrecognized Past Service Costs	–
6. Net Asset/(Liability) recognized in Balance Sheet	(39.49)
i) Net Asset/(Liability) recognized in Balance Sheet at beginning period	(30.33)
ii) Employer expense	10.67
iii) Employer Contribution	1.52
iv) Net Asset/(Liability) recognized in Balance Sheet at end of the period	(39.49)

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

Reconciliation of Defined Benefit Obligations and Fair Value of Assets

A. Change in Defined Benefit Obligations	
1. Present value of Defined benefit obligation at beginning of period	30.33
2. Current Service Cost	5.10
3. Interest Cost	2.73
4. Curtailment Cost/(Credit)	—
5. Settlement Cost/(Credit)	—
6. Employee Contribution	—
7. Plan Amendments	—
8. Acquisitions	—
9. Actuarial (Gains)/Losses	2.84
10. Benefit Paid	(1.52)
11. Present value of Defined benefit obligation at the end of period	39.49
B. Change in Fair Value of Assets	
1. Plan Assets at beginning of period	—
2. Expected return on plan assets	—
3. Actual gain/(loss) on Plan Assets	—
4. Actual Company Contributions	1.52
5. Employee Contributions	—
6. Benefits Paid	(1.52)
7. Plan Assets at the end of period	—

29. 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 are directly associated with Iron and Steel business and hence treated as a single reportable business segment. 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 :

Revenue	2013-14	2012-13
India	49,356.50	50,340.66
Outside India	—	—
	49,356.50	50,340.66

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

30. RELATED PARTY DISCLOSURES

a] List of Related Parties and relationship

Party	Relationship
I. KEY MANAGEMENT PERSONNEL	
A. Mr. Radhey Shyam Jalan	Managing Director
B. Mr. Barun Kumar Singh	Executive Director
II. RELATED PARTY	
A. Karni Syntex Pvt. Ltd.	Holding Company

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

b) Transactions during the year

Particulars	2013-14	2012-13
With Key Management Personnel	–	–
Directors Remuneration	32.40	28.49

31. During the year, there has been a replacement of major equipments of the Mini Blast Furnace by way of modernization cum expansion plan. As a result, the installed annual capacity has been increased from 1.10 Lakh MT to 1.65 Lakh MT. The Company has incurred a total expenditure of ₹ 3,864.74 Lakh which has been capitalized under the head Plant and Machinery. The new Mini Blast Furnace was installed and put to use for commercial production on 15/12/2013. The major component of the existing MBF plant was substantially dismantled and the loss arising therefrom being the difference between the written down value as on 14/08/2013 i.e. ₹ 540.04 Lakhs and the value realized from the sale of the scrap and other dismantled Assets i.e. ₹ 225.90 Lakhs and thereby resulting into Net Loss of ₹ 314.14 Lakhs has been written off and disclosed as exceptional item in the Statement of Profit & Loss.

32. As required by Accounting Standard AS – 20 “Earnings Per Share” necessary figures are furnished below :

	2013-14	2012-13
a) Profit/(Loss) after taxation (₹ in Lakhs)	(434.81)	221.13
b) Weighted average No. of Equity Shares	70.99	70.99
c) Weighted average No. of Equity Shares for diluted EPS	70.99	70.99
d) Face value of Equity Shares (₹)	10	10
e) EPS (Basic) (₹)	(6.12)	3.11
f) EPS (Diluted) (₹)	(6.12)	3.11

33. Excise duty and cess on Inventory of Finished Goods represent differential Excise Duty and Cess on opening and closing stock of finished goods.

34. PARTICULARS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Consumption of Raw Materials	2013-14		2012-13	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Imported	5,348.17	37.84	6,721.64	44.22
Indigenous	8,786.56	62.16	8,479.99	55.78
Total	14,134.73	100.00	15,201.63	100.00
Consumption of Stores & Spares				
Imported	–	–	–	–
Indigenous	424.70	100.00	455.66	100.00
Total	424.70	100.00	455.66	100.00

35. C.I.F. VALUE OF IMPORTS

	2013-14	2012-13
For Materials (Including Trading Materials)	32,168.62	31,683.43
For Capital Assets	578.06	–

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

Notes to the Financial Statements

as at and for the year ended 31st March, 2014

(₹ in Lakhs)

36. a) EXPENDITURE IN FOREIGN CURRENCY

	2013-14	2012-13
Expenditure in Foreign Currency (Other than CIF Value of Imports as per Note 35)	NIL	NIL

b) EARNINGS IN FOREIGN CURRENCY

	2013-14	2012-13
Earnings in Foreign Currency	NIL	NIL

37. 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.

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

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

FRN No. 314030E

Chartered Accountants

For and on behalf of the Board of Directors

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 28th day of May, 2014

R. S. Jalan

Chairman and Managing Director

Ruchika Fogla (Dhanuka)

Company Secretary

S. K. Singhal

Director

NOTES

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIALS STATEMENTS

NOTES



K I C METALIKS LIMITED
www.kicmetaliks.com

K I C METALIKS LIMITED

ATTENDANCE SLIP**CIN:** L01409WB1986PLC041169**Regd Office:** "Sir RNM House" 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata -700 001**Ph :** +91-33-3068 8681/3068 8683 **Fax :** +91-33-4001 9636 **E-mail :** info@ekicmetaliks.com **Website :** www.kicmetaliks.com

Name

Serial No.

Name(s) of joint Holder(s), if any

No. of Shares

Address

Folio/DP ID & Client ID No.

I/We hereby record my/our presence at the **27th Annual General Meeting** held on **Tuesday, September 09, 2014** at **10.00 a.m.** at "Rotary Sadan (Shripati Singhania Hall)", 94/2, Chowringhee Road, Kolkata -700020.

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	PASSWORD / PIN

Please refer to the AGM Notice for e-voting instructions

K I C METALIKS LIMITED

PROXY FORM- MGT.11**CIN:** L01409WB1986PLC041169**Regd Office:** "Sir RNM House" 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata -700 001**Ph :** +91-33-3068 8681/3068 8683 **Fax :** +91-33-4001 9636 **E-mail :** info@ekicmetaliks.com **Website :** www.kicmetaliks.com**27th ANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 09, 2014 AT 10.00 A.M.**

I/We, being the member(s), holding.....shares of K I C Metaliks Limited hereby appoint :

- (1) NameAddress.....
E-mail Id.....Signature.....or failing him/her
- (2) NameAddress.....
E-mail Id.....Signature.....or failing him/her
- (3) NameAddress.....
E-mail Id.....signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **27th Annual General Meeting** of the Company, to be held on **Tuesday, September, 09, 2014 at 10.00 a.m.** at "Rotary Sadan (Shripati Singhania Hall)", 94/2, Chowringhee Road, Kolkata -700020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2014 and the Reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Mr. RadheyShyamJalan and Mr. Barun Kumar Singh who retire by rotation.
3.	Appointment of Statutory Auditors and fixing their remuneration.
Special Business	
4.	Appointment of Mr. Suresh Kumar Singhal as an Independent Director of the Company.
5.	Appointment of Mr. Laxmi Narayan Sharma as an Independent Director of the Company.
6.	Approve payment of overall and minimum remuneration to Mr. Barun Kumar Singh, Whole Time Director of the Company for his remaining tenure.
7.	Re-appointment of Mr. RadheyShyamJalan as Chairman and Managing Director of the Company and approval of the overall remuneration payable to him.
8.	Appointment of Ms. Sayantony Banerjee as an Independent Woman Director of the Company.
9.	Ratify remuneration of Cost Auditors of the Company.
10.	Authorise Board of Directors to borrow money otherwise than on debentures.
11.	Authorise Board of Directors for creation of charge on movable and immovable properties of the Company, both present and future

Signed thisday of2014

Member's Folio /DP ID & Client ID No.....Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

- Note:**
- The proxy duly completed should be deposited at the Registered Office of the Company, not less than 48 hours before time fixed for holding the meeting.
 - A Proxy need not be shareholder of the Company.
 - A person can act as a proxy on behalf of shareholder not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. A Shareholder holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.




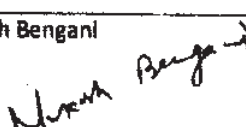



K I C METALIKS LIMITED

"Sir RNM House" 3B, Lal Bazar Street,
4th Floor, Room No. 2, Kolkata - 700 001
Phone : +91-33-3068 8681 / 3068 8683
Fax : +91-33-4001 9636

FORM A

[Pursuant to Clause 31(a) of Listing Agreement]

Format of covering letter of the annual audit report to be filed with the Stock Exchange

Sl No.	Particular	Details
1.	Name of the company	K I C Metaliks Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Quarterly and Annual
5.	To be signed by-	
	CEO/Managing Director	Mr. R. S. Jalan 
	CFO	Mr. Mukesh Bengani 
	Audit Committee Chairman	Mr. S. K. Singhal 
	Auditors of the Company	On the standalone statements of the Company For AGARWAL MAHESHWARI & CO. Chartered Accountants (Firm Registration No. 314030E) 
		D.R. Agarwal (Partner) (Membership no. 051484) 

Place : Kolkata

Date : 18th August, 2014

CIN No. : L01409WB1986PLC041169; E-mail : info@kicmetaliks.com

Factory : Raturia, Angadpur, Durgapur - 713 215, Phone : 9874943342

Website : www.kicmetaliks.com