



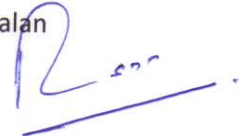

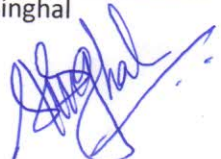
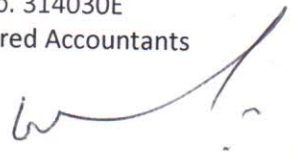

K I C METALIKS LIMITED

"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, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Quarterly and Annual
5.	To be signed by-	
	CEO/Managing Director	Mr. Radhey Shyam Jalan 
	CFO	Mr. Mukesh Bengani 
	Audit Committee Chairman	Mr. Suresh Kumar Singhal 
	Auditors of the Company	On the standalone statements of the Company For AGARWAL MAHESHWARI & CO. FRN No. 314030E Chartered Accountants  D. R. Agarwal Partner Membership No. 051484 

Place : Kolkata

Date :

CIN No. : L01409WB1986PLC041169

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

E-mail : info@kicmetaliks.com • Website : www.kicmetaliks.com



FOCUSED

O N G R O W T H



Annual Report 2014-15

K I C METALIKS LIMITED

Focus on upcoming pages

	02	Defining the focus at K I C
About K I C Metaliks	03	
	05	Strengths and Competencies
Focused on process excellence by staying ahead of the curve	06	
	08	Focused on process excellence by staying responsible
Statement from the management	10	
	12	Corporate Information
Directors' Report	13	
	20	Report on Corporate Governance
Management Discussion and Analysis Report	33	
	58	Independent Auditors' Report
Balance Sheet	62	
	63	Statement of Profit and Loss
Cash Flow Statement	64	
	66	Notes on Financial Statements



For more information log on to www.kicmetaliks.com

To me the definition of focus is, knowing exactly where you want to be today, next week, next month, next year and then never deviating from your plan. Once you can see and feel your objective, all you have to do is pull back and put all your strengths behind it and you will hit your target every time.

– Anonymous

Focus on growth

At K I C Metaliks, it would have been reasonable for us to continue into the future with a strategy that had worked well for us in the past.

However, this is precisely what K I C Metaliks did not do when the sectoral growth halted amidst the tough and turbulent weather of a challenging economy.

With a true vision that the Indian economy is bound to revive and accelerate growth in the near future, we at K I C Metaliks embarked on some growth oriented initiatives:

by

strengthening our operational efficiency.

focusing on lowering the production cost through integration.

sourcing the raw material at lower cost.

strengthening the fiscal discipline.

These exclusive propositions would drive us ahead to capitalize more on opportunities, strengthen margins, enhance stakeholders value and emerge as the most preferred & trusted vendor in our segment.

Focus on growth at K I C Metaliks can be derived through these virtual facts and beliefs



Growth rate of India is expected to move up by 9% in next 10 years thereby outpacing China by 2030.



Continued thrust of making India self reliant in manufacturing through "Make in India" campaign.



Increased government focus on infrastructure spending.



Affordable loan for business and housing sector.



Faster implementation of GST for the benefit of different sectors of the economy.



Focus on non-renewable sources of power.

Focus on growth goes hands-in-hand with a deeper domain expertise, concrete foundation and readiness to move ahead.



Focused Vision

To become one of the most competitive and integrated pig iron manufacturer in the domestic iron & steel industry.

K I C Metaliks Limited, one of the niche players in the domestic iron & steel industry.

A specialist in the production of Pig Iron based on competitiveness and product acceptability with quality respecting customers.

A company generating adequate cash to grow its business through a prudent financial discipline.

Being in a niche business, today K I C Metaliks stands tall & elated and have reached the summit of its business leadership.



Focused Values

To strive and excel in our area of competence and set new benchmarks in standards of corporate performance and governance, thereby adding value for all stakeholders through pursuit of operational and financial excellence.

K I C Metaliks Limited, the corporate

Headquartered at Kolkata and manufacturing plant at Durgapur, K I C Metaliks Limited is one of the largest and integrated Pig Iron manufacturers in Eastern India. The shares of the Company are actively traded at BSE Limited with more than 2000 shareholders and ₹ 287.66 Crores Market Capitalisation.

Strengths and Competencies



Integration: We are amongst the very few integrated pig iron manufacturer in the eastern part of the country, resulting in unmatched quality for our clients. We endeavour to be one of the low-cost producers through our integration and achieve higher manufacturing efficiencies.



Infrastructure: We have regularly invested in modernising our plants and equipments to manufacture products that match standards and benchmarks as per the clients requirements.



Power: The Company possess a 4.7 MW Waste Heat Recovery based Captive Power Plant which helped us to achieve operational efficiencies with reduced cost of production.



Profitability: While we have recorded sustained profits over the years, we have also managed to achieve good growth per tonnee realization in the Pig Iron and are committed to maintain the same in the coming years.



Capex Investments: We have made substantial capital investments in last 5 years to enhance our productivity. Our MBF capacity now stands at 1,65,000 MTPA alongwith a 3,36,600 MTPA Sinter Plant and 4.7 MW Captive Power Plant.



Locationale Advantage: Our Pig Iron manufacturing plant is situated across the industrial rich belt of Burdawan and Durgapur which helps us in selling the product manufactured in lowest given time. Our locationale advantage also helps us in procuring raw material required by us at lower costs.



Enduring relationships: Over the years, the Company has developed enduring relationships with its major raw material suppliers and a number of locale buyers. These buyers produce downstream products that meet the requirements of their customers in the iron & steel industry.

Focused on process excellence **by staying ahead of the curve**

Q

How do one stay ahead of the curve in a competitive market scenario?

A

The simple answer comes as, to remain agile, cost efficient, focus on quality and foster stronger partnerships.

At K I C Metaliks, our constant focus is to produce more from less by focusing on re-engineering the production processes, optimising raw material usage, reducing the wastage and strengthening the service & quality compliance structures which are the basic fundamentals to enhance customer satisfaction.

India's development gap vis-à-vis developed western nations, and even neighbours such as China, are significant. Therefore, in recent years, the thrust on urbanisation, infrastructure creation, industrial expansion and housing have catalysed Steel Demand. However, as a country, we are still a long way from fast-tracking these initiatives. Thus, an unprecedented quantity of steel is likely to be consumed which in turn will benefit downstream companies like ours.

Sinter Plant

With our consistently re-engineered & growing capacities we are all set to play a pivotal role in the development focus that India will witness in the years down the line. We have not toned down nor delayed any of our capex expenditure plans, even during the most unfavorable times. Instead, we focused on getting these investments onstream on time so that when the foreseeable prospect presents itself, we don't find ourselves ill-prepared. From drawing a blueprint way back in 2011 and putting the relevant capital and human resource we commissioned the Sinter Plant thereby ensuring the optimum utilisation of the raw material and thereby reducing wastage. With this our Company would now also be able to use the low grade Iron Ore fines available abundantly in our country.

Captive Power plant

Considering the current volatility in domestic pig iron prices, one's ability to rationalise power cost which is one of the largest cost components in pig iron manufacturing – is an important factor for competitiveness. With a capacity of 4.7 MW of power generation (through the waste heat recovery methods) our Company caters to the majority of its power requirement captively.

Capacity Expansion

With the integration process our Company was successful in securing its raw material requirement. But we realized that to ensure better margins in a growing industry, it is important to build-up greater capacities. We embarked on our most organic expansion programme by re-aligning & re-engineering our MBF plant. We expanded it to produce 1,65,000 MTPA of Pig Iron. The impact of this capacity expansion is expected to translate into better margins from 2015-16 onwards and would further help us to remain agile in any of the given market conditions.

Quality benchmarks

Our consistent focus on quality is demonstrated at every

stage of our production process. In addition we also ensure that quality standards are met in the processes, procedures and our products too. The manufacturing facility ensures to round the clock rigorous quality framework and assurances procedures. The team devotes considerable interest to cost reduction methods. We have invested heavily in compliance procedures with inputs in creating responsiveness, hiring more skilled personnel and updating our equipments & facilities. We also ensure safe working conditions at our manufacturing facility. We have standardised specifications and performed a Quality control and Process Audit of our own manufacturing facilities.

Through these standardized procedures we ensure that processes and equipments are tested and authorised at regular intervals. We have established analytical and test methods which ensure that each product batch is of reproducible quality with competent personnel accountable for release of products.

Stronger partnerships

We respond to customer requirements with speed and rive execution with a high level of ownership. Our integrated production processes provides us economies of scale thereby helping us to reduce costs for our customers. Besides our capacities enables us to increase the wallet share with larger customers since they can allocate large portions of their requirements with us. At K I C Metaliks, we believe in the power of collaborations. Through these collaboration with our existing clients and their trust and confidence on us, have always helped our Company into getting repeat orders. Simultaneously, our Company also focuses on achieving the trust and confidence of new customers thereby getting newer orders from them.

Our consistent track record is a result of stronger customer relationship and superior execution.



Focused on process excellence by staying responsible

Q

How do we remain successful & agile and build a sustainable enterprise for the tomorrow?

A

We recognise that we will be successful tomorrow, only if we think of the world as it will be the day after and the day after that and building a sustainable enterprise that helps create awareness, and fosters action towards a better world.

Corporate Social Responsibility is at the heart of the K I C's business values and we recognise that many of our stakeholders including the employees, customers and investors have rising expectations of our social responsibility commitment and performance.

At K I C Metaliks, we believe growth and sustainability are integral to our vision. We are aware of the menace of climate change and realise the value of optimal resource utilisation. We have some of the best talent in the industry, focused and dedicated to delivering our promise for “Value with vision”. Our unique culture has a strong foundation based on six pillars:

We are One Team; We Respect Each Other; We Believe in Results; We Build Trust; We are Agile; We Shape the Market.

These pillars together create a culture of transparency and an enabling environment that accelerates performance and helps our team realise its full potential.

Human Resource

We believe that people embody our most fundamental asset. The Company endeavors to offer a fair, transparent and merit based working environment, which promotes constant learning, individual and organisational development. During 2014-15, the Company had around 278 permanent employees. Besides, our Company was also actively involved in providing functional training to senior employees to enhance productivity.

The nature of your Company's business requires trained and skilled professionals. Your Company has been successful in attracting professionals, with immaculate professional track record, offering a challenging work environment to enable them to unleash their entrepreneurial energy without compromising on team work and ethics.

Health, Safety and Environment

Health, safety, security and environment form the core of our business and every employee is accountable for the same. Our company follows industry best practices

related to health, safety, security and environment protection and on that regards had taken multiple initiatives - Maintaining production processes installed with safety measures in order to minimise impact on people, property and the environment; Providing a safe and healthy work environment to all employees, contractors and subcontractors including transporters; Ensuring the safety of employees, contractors, visitors and community at large; Conserving natural resources, energy efficiency, minimising waste, preventing pollution, and thus striving for sustainable development; Emergency equipment and trained staff at all the locations of the manufacturing facility to handle emergency situations; Striving to accomplish the goal of zero injuries and zero environmental non-conformances; Striving to be carbon positive; Plantation of trees at various locations of the manufacturing facility.

This beginning is not just a responsibility, but an opportunity to serve our stakeholders in more ways than one.

Statement from the management

Dear Shareholders,

At K I C Metaliks, we have always focused with a single operative mindset – growth of the Company, investors, customers, employees and the peoples in our surroundings. We have always focused towards strengthening our resources which motivated us to continue our expansion programme underpinned by a robust demand anticipated from the infrastructure sector; reduce the debt burden and enjoy the benefits of the integration initiatives taken by the Company in the past. We aim to build a robust organisation thereby fortifying our topline and bottomline and ensuring a higher return to our stakeholders and remain aloof from any of the industry cycles.

World economic review

The world economy is managing a smart recovery and it is returning to a pre-crisis situation: large interest rate spreads for public debt in hard hit countries are falling; banking systems seem more robust, even if financial reforms have not been completed and access to large credit, while still limited, is slowly recovering. Overall growth prospects in advanced economies are better than they have been in recent years, albeit very unevenly distributed. The recovery in the US seems to be comfortably grounded with strong output and employment figures. Japan is also slowly transforming through strong government measures. But in Europe the picture seems to be mixed and tepid. Some countries showing stronger growth records and some seem to be deeply burdened with huge debt and high rate of unemployment and financial fragmentation. Emerging economies and especially nations from South-East Asia are forecasted to grow more modestly than they did in the past. Globally, the drop in the rate of oil prices seems to be a matter of comfort for some nations, which represents lower production costs and escalating exports.

Positioning India

On a downtrend since 2007, India's economy had been moving ahead facing tidal waves of global slowdown. But the newly elected government with its vision towards "Make in India" seems to remove the allays surrounding the economy and bring it to the path of recovery. It has also formulated newer plans to boost infrastructure creation which seems a win-win position for the country thereby indirectly lifting the prospects of

the iron & steel industry.

Steel Industry Review

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015. As per the report of the Working Group on Steel for the 12th Five Year Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, growing demand for automotives, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana among others.

Enhancing shareholders value through financial and operational efficiency

At K I C, we strongly believe in enhancing shareholder's value and strive to achieve the same through continuous evolution and upgradation of our operational efficiencies.

During the year under review, our Company reported a Net Turnover of ₹ 42,597.17 Lakhs and Profit Before Tax of ₹ 22.44 Lakhs. Earnings Per Share (EPS) of the Company also stood at ₹ 2.49 per share.

The integration initiatives taken by the Company i.e., phased expansion of its MBF unit and setting up a Sinter and Captive Power Plant is now complete and we are taking full advantage of them thereby resulting in lower wastage of raw materials and cheap access to power.

Our Company was also benefitted from the falling raw material prices which helped us to purchase at lower prices.

Going forward, all these initiatives will enable us to significantly scale up our capacity utilisation to the optimum level, sharpen our competitive edge and will help us maintain the tradition of being one of the low cost pig iron producers in Eastern India.

Human Capital

KIC's edifice of quality is built on the cornerstone of tireless efforts by its workforce – its 'Human Capital'. The Company's endeavour is not only to enhance its workforce in simple numbers, but also to ensure that their competencies are enhanced in line with the changing business needs. Different teams collaborate with each other to create the optimal working culture, inculcate industry-best practices and foster an ethically motivated working culture.

Core values

For long, we have approached the operating environment, bravely and courageously. We continue to do that now, when there is a marked shift in the manner India will approach development and growth. I am proud to report that our team has responded positively, and with the necessary attitudinal shift, while retaining allegiance to our core values. At the same time, our emphasis on sustainable manufacturing and compliance with best practices with regard to environmental protection continues.

We are placed at a sweet spot in our business; we reinforce our commitment to achieve profitable growth on a sustained basis over the long-term.

Warm regards,

Radhey Shyam Jalan

Chairman and Managing Director



CORPORATE INFORMATION

CIN :

L01409WB1986PLC041169

BOARD OF DIRECTORS

Mr. R. S. Jalan

Chairman and Managing Director

Mr. B. K. Singh

Executive Director

Mr. L. N. Sharma

Independent Director

Mr. S. K. Singhal

Independent Director

Ms. S. Banerjee

Independent Director

CHIEF FINANCIAL OFFICER

Mr. M. Bengani

COMPANY SECRETARY

Mrs. R. Fogla (Dhanuka)

STATUTORY AUDITORS

M/s. Agarwal Maheswari & Co.

Chartered Accountants

2B, Grant Lane, Kolkata - 700 012

West Bengal, India

INTERNAL AUDITORS

M/s. B. N. Agarwal & Co.

Chartered Accountants

1 & 2 Old Court House Corner

Tobacco House, 5th Floor,

Kolkata - 700 001

West Bengal, India

COST AUDITORS

M/s. Sohanlal Jalan and Associates

Cost & Management Accountants

Samrat Apartment

P-184, Suren Sarkar Road

Kolkata - 700 010

West Bengal, India

SECRETARIAL AUDITORS

M/s. Rakesh Agrawal & Co.

Practising Company Secretary

135A, Central Avenue

1st Floor, Room No. 9

Kolkata - 700 007

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

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the affairs of the Company together with the Statement of Accounts for the financial year ended on 31st March, 2015. The summarised financial highlights for the financial year vis-s-vis the previous year are as follows :

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Earnings before interest (finance cost), depreciation and amortization, exceptional items and taxation	1,992.39	1,934.60
Less : Finance Costs	1,075.48	1,089.93
Less : Exceptional items (Loss on sale/discard of Fixed Assets)	—	(314.14)
Less : Depreciation and amortization expenses	894.47	963.69
Profit/(Loss) Before Taxation	22.44	(433.16)
Less : Tax expenses [net of deferred tax effect and MAT credit entitlement/ written off (net)]	(154.56)	1.65
Profit/(Loss) After Taxation	177.00	(434.81)
Add : Surplus brought forward	1,349.58	1,784.39
Less : Adjustment relating to depreciation on Fixed Assets (pursuant to enactment of Schedule II to the Companies Act, 2013)	81.55	—
Surplus available for appropriation	1,445.03	1,349.58
Less : Appropriations	—	—
Net surplus carried to Balance Sheet	1,445.03	1,349.58

2. PERFORMANCE, RESULT OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review your Company has produced 122,981 MT of Hot Metal as compared to 62,833 MT in the previous year. Due to modernization cum expansion of the Mini Blast Furnace of the Company in second half of the financial year 2013-14, the production has almost doubled in the current year as compared to previous year. The gross turnover of the Company was ₹ 46,171 Lakhs in 2014-15 in comparison to ₹ 49,357 Lakhs in 2013-14. The Company has earned a Profit Before Tax of ₹ 22.44 Lakhs as compared to a Loss of ₹ 433.16 Lakhs in the previous year.

3. DIVIDEND

Keeping in view the working capital requirements of the Company, your Directors have ploughed back the profits and express their inability to declare any dividend for Equity and Preference shares of the Company for the financial year ended 31st March, 2015.

4. RESERVE

During the year under the review the Company has not transferred any amount to the general reserve.

5. SHARE CAPITAL

As on 31st March, 2015, the paid up Equity Share Capital of your Company was ₹ 709 Lakhs and paid up Preference Share Capital of your Company was ₹ 4,510 Lakhs. During the year under review the Company has not raised any form of Share Capital.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

6.1 Retirement by Rotation

Pursuant to the provisions of the Companies Act, 2013, Mr. R. S. Jalan (DIN: 00578800) Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself 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.

DIRECTORS' REPORT

6.2 Appointment

The tenure of Mr. B. K. Singh, Executive Director designated as Whole Time Director of the Company expired on 29th May, 2015. Looking to the valuable contributions being made by him for development of the Company, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has re-appointed him for a period of 3 years with effect from 30th May, 2015 subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Further details about the above Director are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting.

6.3 Independent Directors

During the year under review, the shareholders approved the appointment of Ms. S. Banerjee, Mr. S. K. Singhal and Mr. L. N. Sharma as Non Executive Independent Directors of the Company who are not liable to retire by rotation.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

6.4 Key Managerial Personnel

At the Board Meeting held on 28th May, 2014, Mr. M. Bengani, Chief Financial Officer and Mrs. R. Fogla (Dhanuka), Company Secretary were designated as 'Key Managerial Personnel' of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6.5 Meetings of the Board

The Board of Directors met five times during the financial year 2014-15, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

6.6 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board of Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure - A' and forms part of this Report.

8. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Report on Corporate Governance is annexed as 'Annexure - B' and forms an integral part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is also annexed to the Report on Corporate Governance. The Company has paid the requisite Annual Listing Fees to the Stock Exchanges.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirement of Clause 49 of the Listing Agreement, Management Discussion and Analysis Report is annexed herewith as 'Annexure - C' and forms an integral part of this Report.

10. CEO/CFO CERTIFICATION

The Managing Director/Chief Financial Officer certification as required under Clause 49 of the Listing Agreement is annexed to the Corporate Governance Report and forms part of this Report.

DIRECTORS' REPORT

11. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return of the Company in Form MGT - 9 is annexed herewith as '**Annexure - D**' and forms an integral part of this Report.

12. AUDITORS AND AUDITORS' REPORT

12.1 Statutory Auditors

At the Annual General Meeting held on 9th September, 2014, M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Reg. No. 314030E), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 made thereunder, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Reg. No. 314030E) as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the Auditors to the effect their appointment if ratified, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation or adverse remark and is self-explanatory and do not call for any further comments.

12.2 Cost Auditors

The Board of Directors had appointed M/s. Sohan Lal Jalan & Associates (Firm Reg. No. 101620, Membership No. 7442) as Cost Auditors of the Company for the financial year 2015-16 in its meeting held on 30th May, 2015. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Cost Audit Report for the financial year 2013-14 was filed on 26th September, 2014 (due date – 30th September, 2014).

12.3 Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the Company has appointed M/s. Rakesh Agrawal & Co., Practicing Company Secretaries (Membership No. 25326) as Secretarial Auditors of the Company. The Secretarial Audit Report in Form MR - 3 is annexed herewith as '**Annexure - E**' and forms part of this Report. It does not contain any qualification, reservation or adverse remark.

12.4 Internal Auditors

Your Company has appointed M/s. B. N. Agrawal & Co., Chartered Accountants as the Internal Auditors to carry out the Internal Audit of various operation areas of the Company. Their scope of work and the plan for audit is approved by the Audit Committee. The Report submitted by them is regularly reviewed and their findings are discussed with the process owners and suitable corrective action is taken on an ongoing basis to improve efficiency in operations.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same has been hosted on the website of the Company at http://kicmetaliks.com/images/Vigil_Mechanism.pdf. This Policy *inter-alia* provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

14. NOMINATION AND REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Personnel. The policy is approved by the Nomination and Remuneration Committee and the Board of Directors and is annexed herewith as '**Annexure - H**' and forms part of this Report. More details on the same are given in the Corporate Governance Report.

15. AUDIT COMMITTEE

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

DIRECTORS' REPORT

16. FINANCE

16.1 Public Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

16.2 Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The Company has not made any investment, given any loan or guarantee covered under Section 186 of the Companies Act, 2013, during the year under the review.

16.3 Contracts and arrangements with related parties

During the year under review there were no contract and arrangements entered into between the Company and related parties except remuneration paid to Key Managerial Personnel including Directors of the Company.

The Policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board of Directors may be accessed on the Company's website at http://kicmetaliks.com/images/Related_party_transaction_policy.pdf. Your Directors draw attention of the shareholders to Note No. 31 to the financial statements which sets out related party disclosures.

16.4 Internal Financial Control

The Company has in place adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations of the same were observed.

16.5 Insurance

Adequate insurance cover has been taken for properties of the Company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

17. RISK MANAGEMENT

Risk management is an integral part of the strategic management of your Company. The process involves periodic identification of risk likely to affect the business from operating smoothly and adoption of appropriate measures to address the concerns. In this regard, your Company has identified inherent risks in its operations and records residual risk after taking specific risk mitigation steps.

Further details regarding the same are given in the Management and Discussion Analysis Report.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always given priority to the all-round development of the people residing in and around the Company's area of operations. Company understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the corporate responsibility towards the community. This twin objective of business and social commitment has prompted your Company to embark upon programmes of education, health and infrastructural development endeavors; an attempt to invest technology with a human face.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, and based upon the representations received from the management, the Board of Directors of the Company hereby confirm that :

- a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS' REPORT

20. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company had no employee during the financial year ended 31st March, 2015, who was drawing remuneration in excess of limits set out under Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence no disclosure is required for the same.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided here below :

i) The ratio of remuneration of each Director/KMP to the median remuneration of the employees of the Company for the financial year 2014-15 :

Sl.No.	Name of Directors/KMP and Designation	Remuneration for financial year 2014-15 (₹ in Lakhs)	% Increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. R. S. Jalan (Chairman and Managing Director)	18.00	25.34	13.74x
2.	Mr. B. K. Singh (Whole Time Director)	18.04	—	13.77x
3.	Mr. S. K. Singhal (Non-Executive, Independent Director)	—	—	—
4.	Mr. L. N. Sharma (Non-Executive, Independent Director)	—	—	—
5.	Ms. S. Banerjee (Non-Executive, Independent Director)	—	—	—
6.	Mr. M. Bengani (Chief Financial Officer)	7.92	22.03	6.05x
7.	Mrs. R. Fogla (Dhanuka) (Company Secretary)	5.10	14.00	3.80x

ii) The median remuneration of employees of the Company during the financial year 2014-15 was ₹ 1.31 Lakhs.

iii) In the financial year 2014-15, there was an increase of 17.05% in the median remuneration of employees.

iv) There were 278 permanent employees on the rolls of Company as on 31st March, 2015.

v) Relationship between average increase in remuneration and Company performance :

The Profit Before Tax for the financial year ended 31st March, 2015 is ₹ 22.44 Lakhs in comparison to a loss of ₹ 433.16 Lakhs in the financial year 2013-14. The average increase in median remuneration is 17.05% which was based on parameters such as individual performance of concerned employee, comparative compensation as per the market scenario, inflation and performance of the Company.

vi) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:

The total remuneration of Key Managerial Personnel increased from ₹ 43.36 Lakhs in the financial year 2013-14 to ₹ 49.06 Lakhs in the financial year 2014-15, an increase of 13.13%.

The increase in the total remuneration of Key Managerial Personnel was based on individual performance of the concerned personnel, their roles and responsibilities and overall performance of the Company.

vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year :

Sl. No.	Particulars	31st March, 2015	31st March, 2014	% Change
a)	Market Capitalisation (₹ in Lakhs)	28,765.96	3,336.62	762.13%
b)	Price Earnings Ratio	162.73	N.A. since EPS was negative	—

DIRECTORS' REPORT

viii) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

The Company had come out with Initial Public Offer in 1994 at a price of ₹ 10 per share which is worth of ₹ 405.20 per share as on 31st March, 2015 which indicates an increase of 3952% over last Initial Public Offer in 1994.

ix) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2014-15 was 23.27% whereas the increase in the managerial remuneration for the same financial year was 13.13%.

x) The key parameters for the variable component of remuneration availed by the Directors : Not Applicable.

xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not Applicable; and

xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

21. MATERIAL ORDERS

No material orders were passed by any Regulators or Courts or Tribunals that will impact the going concern status and Company's operations in future.

22. MATERIAL CHANGES

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

23. ANNEXURES TO THIS REPORT

A brief summary of the annexures accompanying this Report are given as below :

Annexure	Particulars
A	Conservation of Energy, Technology Absorption And Foreign Exchange Earnings and Outgo.
B	Corporate Governance Report.
C	Management and Discussion and Analysis Report.
D	Extract of Annual Return in Form MGT - 9.
E	Secretarial Audit Report in Form MR - 3.
F	Nomination and Remuneration Policy.

24. ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation to all the Company's employees for their enormous efforts as well as their collective contribution to the Company's performance. Your Directors acknowledge with gratitude the co-operation and support extended by the Company's Bankers and valued customers. We also take this opportunity to thank the shareholders, suppliers, and all the other business associates for the continuous support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 30th day of May, 2015

R. S. Jalan
Chairman and Managing Director

'ANNEXURE - A' TO THE DIRECTORS' REPORT**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 and as part of the Directors' Report for the financial year ended 31st March, 2015.

A. CONSERVATION OF ENERGY**(i) The steps taken or impact on conservation of energy :**

In line with the Company's commitment towards conservation of energy at its Plant at Durgapur, it continued with its efforts aimed at improving energy efficiency through improved operational and maintenance practices. The steps taken in this direction are as follows :

- ◆ The Company has installed a waste gas recovery based Captive Power Plant in the financial year 2012-13.
- ◆ Operating parameters of high energy consuming equipments in the Plant are closely monitored to keep energy consumption at minimum level.

(ii) The steps taken by the Company for utilizing alternate sources of energy :

Nil

(iii) The capital investment on energy conservation equipments :

Nil

B. TECHNOLOGY ABSORPTION**(i) The efforts made towards technology absorption : Nil****(ii) The benefits derived like product improvement, cost reduction, production development or import substitution : Nil****(iii) In case of imported technology :**

- | | | |
|---|---|---|
| a) the details of technology imported | : | No new technology has been imported during the year |
| b) the year of import | : | N.A. |
| c) whether the technology been fully absorbed | : | N.A. |
| d) if, not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | : | N.A. |

(iv) The expenditure incurred on Research and Development : Nil**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Lakhs)

Sl. No.	Particulars	2014 – 2015	2013 – 2014
a)	Foreign Exchange earned in terms of Actual Inflows	Nil	Nil
b)	Foreign Exchange used in terms of Actual Outflows	18,649.39	32,746.68

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 30th day of May, 2015

R. S. Jalan
Chairman and Managing Director

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

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 of Directors of the Company '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.

The Company is in compliance with the requirements of the guidelines on Corporate Governance as stipulated under Clause 49 of the Listing Agreement. We present hereunder our report on compliance of Corporate Governance conditions specified in revised Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

Composition of the 'Board' as on 31st March, 2015 :

Category	No. of Directors
Non Executive and Independent Directors	3
Executive Directors	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/she is a Director. As required under Section 149(3) of the Companies Act, 2013, Ms. S. Banerjee, a lady Director has been appointed as an Independent Director on the 'Board'. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the Clause 49 of the Listing Agreement as on 31st March 2015. The composition of the 'Board' is in conformity with Clause 49 of the Listing Agreement. The 'Board' met five times during the year and the time gap between any two meetings did not exceed 120 days.

Board Meetings held during the financial year 2014-15 :

Sl. No.	Date of Meetings	Total No. of Directors	No. of Directors present
1	28th May, 2014	4	4
2	17th July, 2014	4	4
3	14th August, 2014	5	5
4	14th November, 2014	5	4
5	13th February, 2015	5	5

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

The composition of the 'Board' and the attendance of Directors at the Board Meetings held during the last fiscal year and at the last Annual General 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 Annual General Meeting	No. of other Directorship held #		No. of other Committee memberships held ##	
			As Director	As Chairman	As Member	As Chairman
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. B. K. Singh (Executive, Whole Time Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. S. K. Singhal (Non-Executive, Independent Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. L. N. Sharma (Non-Executive, Independent)	5	No	3	Nil	Nil	Nil
Ms. S. Banerjee* (Non-Executive, Independent)	2	Yes	Nil	Nil	Nil	Nil

Notes :

* Appointed as an Independent Director of the Company on 17th July, 2014.

Excludes Directorship/Committee membership in Private Limited Companies, Companies under Section 8 of the Companies Act, 2013 read with Rule 19 of the Companies (Incorporation) Rules, 2014 and Foreign Companies and Associations.

Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Clause 49 of the Listing Agreement.

Other provisions as to 'Board' and Committees

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. 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. In case of business exigencies the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

Independent Directors

Your Company appointed Independent Directors who are renowned people having expertise/experience in their respective field/ profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the 'Board' in which he/she participates as a Director and thereafter at the first meeting of the 'Board' in every financial year, gives a declaration that he/ she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013. All Independent Directors maintain their limits of directorships as required under Clause 49 of the Listing Agreement. The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have also been disclosed on the website of the Company.

Lead Independent Director

The 'Board' has designated Mr. S. K. Singhal as the Lead Independent Director. The Lead Independent Director's role is as follows:

- ◆ To preside over all meetings of Independent Directors.
- ◆ To ensure that there is an adequate and timely flow of information to Independent Directors.
- ◆ To liaise between the Chairman and Managing Director, the Management and the Independent Directors.
- ◆ To preside over meetings of the 'Board' and Shareholders when the Chairman and Managing Director is not present, or where he is an interested party.
- ◆ To perform such other duties as may be delegated to the Lead Independent Director by the Board/Independent Directors.

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management Personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

During the year under review, the Independent Directors met once on 10th January, 2015, without the attendance of Executive Directors and Management Personnel. All the Independent Directors were present in that meeting.

The Independent Directors in the said meeting had, *inter-alia*:

- i. reviewed the performance of Non-Independent Directors and the 'Board' as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company's management and the 'Board' that is necessary for the 'Board' to effectively and reasonably perform their duties.

Induction & Training of Board Members

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director & CFO on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site, etc. On the matters of specialized nature, the Company engages outside experts/ consultants for presentation and discussion with the 'Board' members.

Code of Conduct 'Code'

Your Company has adopted a Code of Conduct for members of the 'Board' (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

Pursuant to Clause 49(II)(E) of the Listing Agreement, the Managing Director of the Company confirmed compliance with the Code by all members of the 'Board' and the Senior Management.

The full text of the Code is hosted on the Company's website, www.kicmetaliks.com

DECLARATION

As provided under Clause 49 of the Listing Agreement all the members of the Board (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, 2015.

For **K I C METALIKS LIMITED**

Place : Kolkata
Dated : The 30th day of May, 2015

R. S. Jalan
Chairman and Managing Director

Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

3. BOARD COMMITTEES

A. Audit Committee

- (a) The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013. The Committee has three Independent, Non-Executive Directors and one Executive Director, all of whom are persons with considerable financial experience and expertise. 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 9th September, 2014. Mr. Singhal, is a Mechanical Engineer with MBA (Finance) having an experience of around 20 years in the field of Project Management, Project Procurement, Contracting and Logistics in Oil & Petrochemical Industry and Steel Industry.
- (b) The terms of reference, role and scope of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Clause 49(III) of the Listing Agreement. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting. The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The powers and role of the Audit Committee are as stated below :

Powers of the Audit Committee :

- ◆ To investigate any activity within its terms of reference.
- ◆ To seek information from any employees.
- ◆ To obtain outside legal or other professional advice.
- ◆ To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee :

- ◆ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ◆ Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the Company.
- ◆ Approval of payment to Statutory Auditors for any other services rendered by them.
- ◆ Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the 'Board' for approval, with particular reference to:
 - i. Matters to be included in the Director's Responsibility Statement for the inclusion in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of Related Party Transactions.
 - vii. Qualifications in the draft Audit Report.
- ◆ Reviewing, with the management, the quarterly financial statements before submission to the 'Board' for approval.
- ◆ Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- ◆ Approval or any subsequent modification of transactions of the Company with related parties.
- ◆ Evaluation of internal financial controls and risk management systems.
- ◆ Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- ◆ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- ◆ Discussion with Internal Auditors of any significant findings and follow up there on.
 - ◆ Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - ◆ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - ◆ To review the functioning of the Whistle Blower Policy/Vigil Mechanism.
 - ◆ Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
 - ◆ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (c) The Audit Committee met 4 (four) times during the financial year 2014-15 i.e. on 28th May, 2014; 14th August, 2014; 14th November, 2014 and 13th February, 2015 and not more than four months have elapsed between two meetings.
- (d) The composition of the Audit Committee as on 31st March, 2015 and attendance at the meetings of the Committee during financial year 2014-15 is as under :

Name and Category of the Directors	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. S. K. Singhal (Non-Executive, Independent)	Chairman	4	4
Mr. L. N. Sharma (Non-Executive, Independent)	Member	4	4
Mr. R. S. Jalan (Executive, Chairman & Managing Director)	Member	4	4
Ms. S. Banerjee* (Non-Executive, Independent)	Member	3	2

Notes :

* Appointed as Independent Director of the Company and co-opted as a new member of the Audit Committee on 17th July, 2014.

- (e) 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. Nomination and Remuneration Committee

- a) Pursuant to provisions of Section 178 of the Companies Act, 2013 and Listing Agreement and amendments there upon the existing Remuneration Committee of the 'Board' was renamed as Nomination and Remuneration Committee in the Board Meeting held on 28th May, 2014. All the members are Non-Executive, Independent Directors. The Nomination and Remuneration Committee met twice during the financial year 2014-15 on 28th May, 2014 and 17th July, 2014.
- b) The composition of the Nomination and Remuneration Committee as on 31st March, 2015 and attendance at the meetings of the Committee during financial year 2014-15 is as under :

Name and Category of the Directors	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. S. K. Singhal (Non-Executive, Independent)	Chairman	2	2
Mr. L. N. Sharma (Non-Executive, Independent)	Member	2	2
Ms. S. Banerjee* (Non-Executive, Independent)	Member	Nil	Nil

Notes :

* Appointed as an Independent Director of the Company and co-opted as a new member of the Nomination and Remuneration Committee on 17th July, 2014.

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

Terms of Reference : The terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49(IV) of the Listing Agreement. The brief terms of reference of the Committee, *inter alia*, include the following :

- ◆ Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the 'Board' a policy, relating to the remuneration of the Director, Key Managerial Personnel and other employees.
- ◆ Formulation of criteria for evaluation of Independent Directors and the 'Board'.
- ◆ Devising a policy on Board diversity.
- ◆ Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the 'Board' their appointment and removal.

Nomination and Remuneration Policy : The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and Senior Management Personnel of the Company which is displayed on the website of the Company and is annexed herewith as 'Annexure – F' and forms part of the Directors' Report.

The details of remuneration paid to the Executive and Non-Executive Directors during the financial year 2014-15, 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)	18,00,000	31.01.2014	30.01.2017
Mr. B. K. Singh (Executive, Whole Time Director)	18,03,516	30.05.2012	29.05.2015
Total	36,03,516		

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

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
Ms. S. Banerjee* (Non-Executive, Independent)	Nil	Nil	Nil

Notes :

* Appointed as an Independent Director of the Company and co-opted as a new member of the Nomination and Remuneration Committee on 17th July, 2014

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

C. Stakeholders' Relationship Committee

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Agreement and amendments there upon, the existing Shareholders'/Investors' Grievance Committee of the 'Board' was renamed as Stakeholders Relationship Committee in the Board Meeting held on 28th May, 2014. This committee comprises of three Non Executive Independent Directors.

This Committee is specifically formed to look into the redressal of grievance of shareholders, debenture holders and other security holders. This committee shall consider and resolve the grievance of all the security holders of the Company including complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc.

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

During the financial year 2014-15, the committee met 5 (Five) times on 28th May, 2014; 14th August, 2014; 14th November, 2014; 26th December, 2014 and 13th February, 2015.

The composition of the Stakeholders Relationship Committee as on 31st March, 2015 and the attendance at the meetings of the Committee during the financial year 2014-15 is as under :

Name and Category of the Directors	Position held	No. of Investor Grievance Committee Meetings	
		Held	Attended
Mr. L. N. Sharma (Non-Executive, Independent)	Chairman	5	5
Mr. S. K. Singhal (Non-Executive, Independent)	Member	5	4
Mr. R. S. Jalan# (Executive, Chairman & Managing Director)	Member	1	1
Ms. S. Banerjee* (Non-Executive, Independent)	Member	4	3

Notes :

* Appointed as an Independent Director of the Company and co-opted as a new member of the Stakeholders Relationship Committee on 17th July, 2014.

Ceased to be a member of the Stakeholders Relationship Committee on 17th July, 2014.

Name, designation and address of Compliance Officer :

Mrs. R. Fogla (Dhanuka)
Company Secretary
K I C Metaliks Limited
"Sir RNM House" 3B, Lal Bazar Street,
4th Floor, Room No. 2, Kolkata – 700 001
Phone : +91-33-30688681/83
Fax : +91-33-40019636
E-mail : companysecretary@kicmetaliks.com

Shareholder/Investor Complaints received and redressed during financial year 2014-15 :

Particulars	Nos.
Number of complaints pending as on 1st April, 2014	0
Number of complaints received during 1st April, 2014 to 31st March, 2015	8
Number of complaints disposed off during the year ended on 31st March, 2015	8
Number of complaints pending as on 31st March, 2015	Nil

4. GENERAL BODY MEETINGS

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

Sl. No.	AGM Particulars	Date	Time	Location
1	27th Annual General Meeting of the year 2013-14	9th September, 2014	10:00 a.m.	"Rotary Sadan" (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata 700 020
2	26th Annual General Meeting of the year 2012-13	27th September, 2013	10:00 a.m.	"Rotary Sadan" (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata 700 020
3	25th Annual General Meeting of the year 2011-12	28th September, 2012	10:00 a.m.	"Rotary Sadan" (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata 700 020

'ANNEXURE - B' TO THE DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****b) Details regarding Special Resolutions passed in last 3 (three) Annual General Meetings are as follows :**

Shareholder's Meeting	Business requiring Special Resolution
27th Annual General Meeting held on 9th September, 2014	Four special resolutions were proposed and approved : <ul style="list-style-type: none"> ◆ Approve payment of overall and minimum remuneration to Mr. B. K. Singh (DIN: 05292536), Whole Time Director of the Company for his remaining tenure. ◆ Re-appointment of Mr. R. S. Jalan (DIN: 00578800) as Chairman and Managing Director of the Company and approval of the overall remuneration payable to him. ◆ Authorise Board of Directors to borrow money otherwise than on debentures. ◆ Authorise Board of Directors for creation of charge on movable and immovable properties of the Company, both present and future.
26th Annual General Meeting held on 27th September, 2013	Nil
25th Annual General Meeting held on 28th September, 2012	Nil

c) Details regarding resolutions passed through Postal Ballot during financial year 2014-15 :

During the financial year 2014-15, no resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolutions through Postal Ballot.

d) Extraordinary General Meeting :

No Extraordinary General Meeting of the shareholders was held during the financial year 2014-15.

5. OTHER DISCLOSURES

- Details regarding contracts and arrangements with related parties have been disclosed in point no. 16.3 of the Director's Report.
- The Register of Contracts is placed at the meetings of the 'Board' as per the requirements of the Companies Act, 2013 and all the related party transactions that have been entered into by the Company during the year under review, requiring entry in the Register of Contracts maintained as per provisions of Section 189 of the Companies Act, 2013 read with Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been duly entered therein.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that as prescribed in an Accounting Standard.
- The procedures for risk assessment and minimisation have been disclosed in point no. 17 of the Directors' Report and point no. 4 of Management Discussion and Analysis Report.
- During the financial year 2014-15, the Company had not issued any form of Share Capital.
- The relevant disclosures on the remuneration of Directors have been included under 'Nomination and Remuneration Policy' annexed as '**Annexure – F**' to the Directors' Report..
- The Company has duly complied with the requirements of the regulatory authorities on Capital Markets. No penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter related to the capital markets, during the last three years.
- The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to non-mandatory requirements the Internal Auditor directly reports to the Audit Committee.
- Details regarding the establishment of Vigil Mechanism/Whistle Blower Policy have been disclosed in point no. 13 of the Director's Report.
- The Company does not have any subsidiary.

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

- k) 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 28th Annual General Meeting of the shareholders of the Company.

6. MEANS OF COMMUNICATION

(a)	Quarterly Results	
	i) Which newspapers normally published in : English Bengali	Business Standard (All editions) Arthik Lipi
	ii) Any website displayed :	www.kicmetaliks.com
(b)	Whether website also displays official news releases	Yes
(c)	Whether presentations made to institutional investors or analysts	No

7. GENERAL SHAREHOLDER INFORMATION

(a)	AGM : Date and Day	29th September, 2015 (Tuesday)
	Time	10:00 a.m.
	Venue	"Rotary Sadan" (Shripati Singhanian Hall), 94/2, Chowringhee Road, Kolkata 700 020
(b)	Financial Calendar (tentative and subject to change)	
	Financial reporting for the quarter ending 30th June, 2015	By End July, 2015
	Financial reporting for the quarter ending 30th September, 2015	By End October, 2015
	Financial reporting for the quarter ending 31st December, 2015	By End January, 2016
	Financial reporting for the year ending 31st March, 2016	By End May, 2016
(c)	Book Closure period	From 23rd September, 2015 to 29th September, 2015 (both days inclusive)
(d)	Dividend Payment Date	The Directors have not recommended any dividend for the financial year 2014 – 2015
(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 2014-15 The Company has paid the Listing Fees for the financial year 2014-2015 to BSE Limited. The Company has also paid custodian fees for the financial year 2014-15 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 2014-15 on BSE Limited.

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of shares	BSE Sensex Close
April 2014	55.65	46.10	55.40	202298	22417.80
May 2014	75.60	52.65	71.80	36573	24217.34
June 2014	135.00	71.80	118.85	12034	25413.78
July 2014	179.30	116.50	173.20	94642	25894.97
August 2014	297.95	175.65	296.55	58845	26638.11
September 2014	451.15	286.00	347.30	114589	26630.51
October 2014	429.95	302.95	390.20	173185	27865.83
November 2014	462.00	357.00	404.15	48398	28693.99
December 2014	424.00	282.00	329.80	3298	27499.42
January 2015	420.00	276.00	287.10	142299	29182.95
February 2015	330.00	226.10	260.00	12782	29361.50
March 2015	450.00	210.00	405.20	39646	27957.49

'ANNEXURE - B' TO THE DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****(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 , 2014	47.00	22455.23
On 31st March, 2015	405.20	27957.49
% change	(+) 762.13	(+) 24.50

(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 Agent, M/s. S. K. Infosolutions Pvt. Ltd. and is then placed before the Company Secretary/ Managing Director who had been delegated the authority by Share Transfer Committee to approve transfers. They address all the requests fortnightly.

(k) Distribution of Shareholding as on 31st March, 2015 :

Range or Equity Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1,600	91.43	1,81,106	2.55
501 - 1000	60	3.43	48,285	0.68
1001 - 2000	25	1.43	37,941	0.53
2001 - 3000	10	0.57	27,511	0.38
3001 - 4000	4	0.23	14,632	0.21
4001 - 5000	3	0.17	14,000	0.20
5001 - 10000	18	1.03	1,34,049	1.89
10001 - 50000	16	0.91	3,91,368	5.51
50001 - 100000	6	0.34	4,12,126	5.81
100001 and Above	8	0.46	58,38,182	82.24
Total	1,750	100.00	70,99,200	100.00

(l) Category wise Shareholding as on 31st March, 2015 :

Name of the Shareholders	No. of Holders	% of Holders	No. of Shares held	% of Capital
Promoters Holding	1	0.06	39,80,913	56.08
Non-Promoters Holding				
- Financial Institutions	—	—	—	—
- Bodies Corporate	100	5.71	26,83,845	37.8
- NRI and Foreign Company	15	0.86	3,306	0.04
Indian Public	1,634	93.37	4,31,136	6.08
Total	1,750	100.00	70,99,200	100.00

'ANNEXURE - B' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

m) **Dematerialisation of shares and liquidity as on 31st March, 2015 :**

Particulars of Shares	Equity Shares of ₹ 10/- each	
	Number	% of Total
Dematerialised Form		
a) NSDL	53,01,246	74.67
b) CDSL	16,92,098	23.84
Sub Total	69,93,344	98.51
Physical Form	1,05,856	1.49
Total	70,99,200	100.00

The Equity Shares of the Company are compulsorily traded in dematerialised 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** Nil
- (o) **Plant Location - Pig Iron 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 : info@kicmetaliks.com

(q) **Reconciliation of Share Capital Audit**

In compliance of Regulation 55A of SEBI (Depositories and Participants Regulations) 1996, a Practicing Company Secretary carried out quarterly audits, reconciling the issued shares of the Company with the aggregate of the number of shares held by the investors in physical form and in electronic form with the depositories. The Reconciliation of Share Capital Audit Reports were submitted to the stock exchange within the prescribed time limit. As on 31st March, 2015 there was no difference between the issued shares and the aggregate of the number of shares held by the investors in both physical form and in electronic form with the depositories. 69.93 Lakhs Equity Shares representing 98.51% of the issued Equity Share Capital have been dematerialized as on 31st March, 2015.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : The 30th day of May, 2015

R. S. Jalan
Chairman and Managing Director

AUDITORS' CERTIFICATION

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To
The Member of
K I C Metaliks Limited

We have examined the compliance of conditions of Corporate Governance by **K I C Metaliks Ltd.** for the year ended 31st March, 2015 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.

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

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

D. R. Agarwal
Partner

Membership No. 051484

Place : Kolkata
Dated : The 30th day of May, 2015

CEO/CFO CERTIFICATION

CERTIFICATE UNDER CLAUSE 49(IX) OF THE LISTING AGREEMENT

To,
The Board of Directors,
K I C Metaliks Limited
"Sir RNM House",
3B, Lalbazar Street,
4th Floor, Room No. 2,
Kolkata - 700 001

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 financial year 2014-15 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.

For **K I C METALIKS LIMITED**

For **K I C METALIKS LIMITED**

Place : Kolkata
Dated : The 30th day of May, 2015

R. S. Jalan
Chairman and Managing Director

M. Bengani
Chief Financial Officer

'ANNEXURE - C' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC OVERVIEW- GLOBAL AND INDIAN

The global economy expanded during 2014-15 at a moderate and uneven pace. Legacies from the global financial crisis continue to weigh on growth, while new challenges have emerged, including geopolitical tensions and conflicts such as in Ukraine and the Ebola epidemic and stagnation/deflation in advanced economies. The world economic growth is likely to see moderate improvement where world GDP is expected to grow at 3.5% in 2015 and accelerate further to 3.8% in 2016 (UN WESP Report, 2015). The improvement is expected to be driven mainly by the advanced economies rather than by emerging markets and developing economies.

During 2014-15, Indian economy emerged with propitious economic outlook, amidst the mood of pessimism and uncertainties that engulfed a number of advanced and emerging economies. India's economy grew by 7.3 per cent during financial year 2014-15 as compared to 6.9% in financial year 2013-14. The prime drivers of the growth were the significantly stronger performance of manufacturing, electricity, gas, water supply and other utility services and the financial, real estate and professional services, revision of GDP methodology calculation, reduced average inflation and the decline in oil and food prices.

According to the Organisation for Economic Co-operation and Development (OECD) the economy could grow over 8% if ambitious structural reforms such as goods and Services tax, Land and Labour laws were approved by the parliament. It expects a pick-up in corporate investments in India on the back of government measures to improve ease of doing business and the 'Make in India' campaign.

2. IRON & STEEL - INDUSTRY STRUCTURE AND DEVELOPMENTS

The global steel industry is getting increasingly intertwined and integrated, and the Indian steel industry, which was relatively insulated until now, will have to factor in these global changes. Being a core sector, steel industry is a major contributor to

MANUFACTURING AND SERVICES DO WELL

% annual growth

	FY 14	FY 15
Agriculture	3.4	0.2
Mining	5.4	2.4
Power, Water etc.	4.8	7.9
Manufacturing	5.3	7.1
Construction	2.5	4.8
Services	9.1	10.1

FY15 GDP GROWTH IN LINE WITH ESTIMATES

% annual growth



'ANNEXURE - C' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

the overall economic growth of an economy. Steel demand, being derived from other sectors like automobiles, construction and infrastructure, etc., its fortune is dependent on the growth of these user industries. Steel producers in India are passing through a difficult phase and the problems may further aggravate as cheap steel from China, Korea and Japan has shown a spurt in recent months. The problem of raw materials, particularly iron ore remained critical but de-allocation of coal blocks has added new dimension towards availability of coal to steel producers. Steel prices in India showed a declining trend in 2014-15. This was mainly on account of weakness in international prices, lower input costs and muted growth in demand. Revival in procurement from construction and automobile sectors is likely to lead to a rise in steel demand in 2015-16.

Your Company is a producer of pig iron and belongs to the Iron and Steel industry at large. Pig Iron is the building block of the Iron and Steel industry and is a major intermediate input used in various Iron and Steel mills. Demand for pig iron is directly linked to buying interest for long Steel products, used in construction, as it is the raw material for producing billets and ingots, the semi-finished Steel long products. Electric arc furnaces use Steel-grade pig iron in making construction Steel while Foundry, grade pig iron is used to make automobile parts and industrial moulds.

The pig iron industry also faced similar heat and the pig iron prices declined sharply in 2014-15. Low demand from end user industries and difficulty in availability of raw material led to the dip in prices. Pig Iron makers in the country have cut prices owing to sluggish market demand for the intermediate steel good. However this trend is expected to reverse in the current fiscal in view of demand coming from infrastructure and automobile industries.

Despite discouraging environment, your Company continued on growth trajectory with impressive production figures as it was backed with a modernised, upgraded and fully functioning Mini Blast Furnace, Sinter Plant and Captive Power Plant. Moreover, with good raw material supply conditions, a growing market and competent human resource, we believe that K I C is at the start of a new growth curve. It may not come immediately, but the fundamental conditions for growth is in place and is positive.

3. OPPORTUNITIES & THREATS

OPPORTUNITIES

- 'Make in India' Campaign launched by the government
- Smart city projects
- Industrial corridor
- Investment planned in road sector
- Indian railway expansion
- Automobile sector offer opportunity for specialised steel
- Refocus on manufacturing
- Investment in Rural housing

THREATS

- Overburdened port facilities
- Insufficient infrastructure and logistics
- Shortage of good quality coking coal
- Land acquisition and environment regulations
- Insufficient downstream value addition
- Adoption of modern technology
 - High Finance cost

'ANNEXURE - C' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

4. RISKS AND CONCERNS

One of the objectives of your Company's risk and control framework is to minimize potential adverse effects on its financial performance. Our risk and control framework is in place to ensure that risks are detected, measured and reported properly. Risk management procedures are carried out under policies that have been approved at the 'Board' level.

A comprehensive list of major risks of the Company with steps taken for the mitigation is as follows :

Regulatory Risk

Your Company is exposed to risks attached to various statutes and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Financial Risk

Your Company is exposed to a variety of financial risk, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. 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 financial risk for the Company in the near future.

Competition Risk

The market's pig iron are highly competitive and strong competition is faced from other produces in the same region. In order to mitigate the said risk, efforts are on to bring down the cost of production by enhancing operational efficiency and improvement in the quality of products.

Raw Material Risk

Non availability of good quality and price volatility of key raw materials in manufacturing of steel namely iron ore and coal has increased significantly in past few years. Your Company is procuring iron ore from established mining companies and is also working with major suppliers of key raw material to achieve competitive prices on long term basis.

Health, Safety and Environment Risk

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. Your Company maintains the highest safety standards with its operating units which minimize calamities during plant operations. The safety team conducts regular training programmes, instills the concept of maintaining safe operations among the employees and to educate the team on the safety norms and procedures to be followed in an unfortunate situation.

Cost Risk

Managing costs is key to protect profitability, especially across volatile market cycles. Your Company has created well-integrated assets comprising Captive Power Plant, which ensure cost-effective availability of power. The Company has also commissioned a Sinter Plant which consumes the iron ore fines of the Mini Blast Furnace and thus produces sinter which is used as an alternative raw material to the costly iron ore lumps thereby reducing the cost of production of Hot Metal.

5. FUTURE OUTLOOK

The risks to the global economic outlook remain very real. Past measures, mainly based on expansionary monetary policies, have helped to temporarily avoid a deeper recession and set the foundations for the global recovery in the short term. However, ensuring sustained growth in the long run will depend not only on monetary policies, but on boosting the level of productivity of economies. In order to achieve higher levels of productivity, new actions in terms of engaging in much needed structural reforms and productivity enhancing investments are required.

The Indian Economy in 2014-15 has emerged as one of the largest economies with the promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments and decline in oil prices, etc. The potential impact of the reform initiatives of the new government at the centre along with its commitment to calibrated fiscal management and consolidation bode well for the growth prospects and the overall macroeconomic situation.

With a volatile outlook for mining and metals, the global sector is focused on cost optimization and productivity improvement and the same can be said about your Company. Your Company is expected to register a good growth in future, riding on a

'ANNEXURE - C' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

projected growth wave of infrastructure, automobile and real estate sectors. The government's 'Make in India' campaign aimed at facilitating investments, encouraging innovation and building high-class manufacturing infrastructure is expected to boost manufacturing activities in key sectors including automobile, auto components, capital goods, railways, and defence which in turn will augur well for the pig iron industry and thus your Company at large.

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

During the year, your 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 122,981 MT of Hot Metal in 2014-15 compared to 62,833 MT in the previous year. In 2014-15 the Company sold 120,797 MT of Hot Metal compared to 60,937 MT to achieve a turnover of ₹ 46,171 Lakhs in comparison to ₹ 49,357 Lakhs in the previous year. In 2014-15, the Company incurred a profit of ₹ 177 Lakhs against a loss of ₹ 434.81 Lakhs in 2013-14.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Given the nature of business and size of operations, your Company's Internal Control Systems has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal Control System provides for well documented policies/guidelines, authorisations and approval procedures. The summary of the Internal Audit observations are submitted to the Audit Committee. The status of implementation of the recommendations is reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the 'Board'.

8. INDUSTRIAL RELATIONS AND HUMAN RESOURCES

Human Resources function ensures that all employees are aligned to the organization's shared values, management principles and a high performance culture. Your Company strives to embrace best Human Resource practices to become an 'Employer of Choice'. Your Company aims to maintain its competitive edge by ensuring the right talent for the right job. Our recruitment strategy centers on infusing quality talent aligned to the values of K I C with potential to take the organization to a higher level of performance. Your Company continued to maintain harmonious industrial relations at Durgapur manufacturing location. As on 31st March, 2015, we have 278 employees on our payroll.

'ANNEXURE - D' TO THE DIRECTORS' REPORT**FORM NO. MGT – 9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

(i) CIN	L01409WB1986PLC041169
(ii) Registration Date	26th August, 1986
(iii) Name of the Company	K I C Metaliks Limited
(iv) Category/Sub-Category of the Company	Public Company/Limited by shares
(v) Address of the Registered Office and contact details	"Sir RNM House" 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata – 700 001 Phone No. +91-33-30688681/83
(vi) Whether listed Company (Yes/No)	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006 Phone No. +91-33-22194815/6797

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

Sl. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Iron & Steel	24101	69.89
2	Coal & Coke	19101	26.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Karni Syntex Pvt. Ltd. Om Tower, 32, J. L. Nehru Road 3rd Floor, Room No. 302 Kolkata – 700 071	U51109WB1993PTC061138	Holding	56.08	2(46)

'ANNEXURE - D' TO THE DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1st April, 2014				No. of Shares held at the end of the year i.e. 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoter and Promoter Group

1) Indian									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Government(s)	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	3,717,971	-	3,717,971	52.37	3,980,913	-	3,980,913	56.08	3.71
Banks/FI	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	3,717,971	-	3,717,971	52.37	3,980,913	-	3,980,913	56.08	3.71
2) Foreign									
NRIs – Individuals	-	-	-	-	-	-	-	-	-
Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total A= A(1)+A(2)	3,717,971	-	3,717,971	52.37	3,980,913	-	3,980,913	56.08	3.71

B. Public Shareholding

1. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Central Government	-	-	-	-	-	-	-	-	-
State Government	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total B(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
Bodies Corporate									
i. Indian	2,797,217	3,600	2,800,817	39.46	2,680,245	3,600	2,683,845	37.80	(1.66)
ii. Overseas	-	200	200	-	-	200	200	-	-

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 1st April, 2014				No. of Shares held at the end of the year i.e. 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Individuals									
i. Individual holding nominal share capital upto ₹ 1 Lakh	348,537	104,456	452,993	6.38	288,316	102,056	390,372	5.50	(0.88)
ii. Individual holding nominal share capital in excess of ₹ 1 Lakh	123,498	–	123,498	1.74	40,764	–	40,764	0.58	(1.16)
Others (specify)									
NRIS	3,721	–	3,721	0.05	3,106	–	3,106	0.04	(0.01)
Sub-total B(2)	3,272,973	108,256	3,381,229	47.63	332,186	105,856	3,118,287	43.92	(3.71)
Total B=B(1)+ B(2)	3,272,973	108,256	3,381,229	47.63	3,012,431	105,856	3,118,287	43.92	(3.71)

C. Shares held by Custodian for GDRs & ADRs

Grand Total (A+B+C)	6,990,944	108,256	7,099,200	100.00	6,993,344	105,856	7,099,200	100.00
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(ii) Shareholding of Promoters :

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2014			Shareholding at the end of the year i.e. 31st March, 2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/Encumbered to total shares	
1.	Karni Syntex Pvt. Ltd.	3,717,971	52.37	Nil	3,980,913	56.08	Nil	3.71
Total		3,717,971	52.37	Nil	3,980,913	56.08	Nil	3.71

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding during the year i.e. 31st March, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Karni Syntex Pvt. Ltd.				
	At the Beginning of the year	3,717,971	52.37	3,717,971	52.37
	7th April, 2014 (Purchase)	(+) 49,758	0.70	3,767,729	53.07
	9th April, 2014 (Purchase)	(+) 24,116	0.34	3,791,845	53.41
	10th April, 2014 (Purchase)	(+) 23,200	0.33	3,815,045	53.74
	11th April, 2014 (Purchase)	(+) 26,752	0.38	3,841,797	54.12
	15th April, 2014 (Purchase)	(+) 25,000	0.35	3,866,797	54.47
	16th April, 2014 (Purchase)	(+) 35,000	0.49	3,901,797	54.96
	22nd January, 2015 (Purchase)	(+) 79,116	1.12	3,980,913	56.08
	At the end of the year	–	–	3,980,913	56.08

'ANNEXURE - D' TO THE DIRECTORS' REPORT

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs) :

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding during the year i.e. 31st March, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Flamingo Overseas Pvt. Ltd.				
	At the beginning of the year	610,000	8.59	610,000	8.59
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			610,000	8.59
2.	Motilal Oswal Securities Ltd.				
	At the beginning of the year	351,492	4.95	351,492	4.95
	Date wise increase/decrease in Shareholding during the year				
	i) 23rd May, 2014 (Sale)	(-) 2300	0.03	349,192	4.92
	At the end of the year			349,192	4.92
3.	Lily Abasan Pvt. Ltd.				
	At the beginning of the year	250,000	3.52	250,000	3.52
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			250,000	3.52
4.	O. D. Promoters and Credit Pvt. Ltd.				
	At the beginning of the year	250,000	3.52	250,000	3.52
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			250,000	3.52
5.	Pujam Sales & Services Pvt. Ltd.				
	At the beginning of the year	250,000	3.52	250,000	3.52
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			250,000	3.52
6.	Dhanvridhi Agencies Pvt. Ltd.				
	At the beginning of the year	183,727	2.59	183,727	2.59
	Date wise increase/decrease in Shareholding during the year				
	i) 23rd May, 2014 (Sale)	(-) 183,727	2.59	-	-
	At the end of the year			-	-
7.	Maryada Barter Pvt. Ltd.				
	At the beginning of the year	109,918	1.55	109,918	1.55
	Date wise increase/decrease in Shareholding during the year				
	i) 20th June, 2014 (Purchase)	(+) 6,882	0.10	116,800	1.65
	At the end of the year			116,800	1.65

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding during the year i.e. 31st March, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8.	Shyam Wealth Management Pvt. Ltd.				
	At the beginning of the year	79,800	1.12	79,800	1.12
	Date wise increase/decrease in Shareholding during the year				
	i) 19th December, 2014 (Sale)	(-) 28,400	0.40	51,400	0.72
	ii) 31st December, 2014 (Sale)	(-) 27,100	0.38	24,300	0.34
	At the end of the year			24,300	0.34
9.	Aay Jay Consultants and Investments Pvt. Ltd.				
	At the beginning of the year	79,059	1.11	79,059	1.11
	Date wise increase/decrease in Shareholding during the year	-	-	-	-
	At the end of the year			79,059	1.11
10.	Nageshwar Advisory Service LLP				
	At the Beginning of the year	74,780	1.05	74,780	1.05
	Date wise increase/decrease in Shareholding during the year				
	i) 1st August, 2014 (Sale)	(-) 74,780	1.05	-	-
	At the end of the year			-	-
11.	Saidham Mercantile Pvt. Ltd.				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year				
	i) 4th April, 2014 (Purchase)	(+) 28,140	0.40	28,140	0.40
	ii) 18th April, 2014 (Purchase)	(+) 91,213	1.28	119,353	1.68
	iii) 18th April, 2014 (Purchase)	(+) 151,770	2.14	271,123	3.82
	iv) 25th April, 2014 (Purchase)	(+) 78,877	1.11	350,000	4.93
	v) 31st March, 2015 (Sale)	(-) 70,000	0.99	280,000	3.94
	At the end of the year			280,000	3.94
12.	Yadhuka Financial Services Ltd.				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Shareholding during the year				
	i) 24th October, 2014 (Purchase)	(+) 64,706	0.91	64,706	0.91
	ii) 31st October, 2014 (Purchase)	(+) 4,251	0.06	68,957	0.97
	iii) 30th January, 2015 (Purchase)	(+) 31,512	0.44	100,469	1.42
	At the end of the year			100,469	1.42

'ANNEXURE - D' TO THE DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding during the year i.e. 31st March, 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. R. S. Jalan				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
2.	Mr. B. K. Singh				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
3.	Mr. S. K. Singhal				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
4.	Mr. L. N. Sharma				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
5.	Ms. S. Banerjee				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
6.	Mr. M. Bengani				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
7.	Mrs. Ruchika Fogla (Dhanuka)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Share holding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00

'ANNEXURE - D' TO THE DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment : (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5,372.34	3,960.00	–	9,332.34
(ii) Interest due but not paid	62.22	1.86	–	64.08
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	5,434.56	3,961.86	–	9,396.42
Change in Indebtedness during the financial year				
• Addition	–	1,210.76	–	–
• Reduction	(1,314.15)	(1,519.54)	–	(1,622.93)
Net Change	(1,314.15)	(308.78)	–	(1,622.93)
Indebtedness at the end of the financial year				
(i) Principal Amount	4,091.51	3,650.00	–	7,741.51
(ii) Interest due but not paid	28.90	3.08	–	31.98
(iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	4,120.41	3,653.08	–	7,773.49

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. R. S. Jalan	Mr. B. K. Singh	
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18.00	18.04	36.04
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–
(c)	Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– As % of profit	–	–	–
	– Others, specify	–	–	–
5.	Others, please specify	–	–	–
	Total (A)	18.00	18.04	36.04
	Overall Ceiling as per the Act	42.00 (Calculated as per Section II of Part II of Schedule V of the Companies Act, 2013)		

'ANNEXURE - D' TO THE DIRECTORS' REPORT

B. Remuneration to other Directors :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Ms. S. Banerjee	Mr. S. K. Singhal	Mr. L. N. Sharma	
1.	Independent Directors				
	▪ Fee for attending Board/Committee meetings	—	—	—	—
	▪ Commission	—	—	—	—
	▪ Others, please specify	—	—	—	—
	Total (1)	—	—	—	—
2.	Other Non-Executive Directors	—	—	—	—
	▪ Fee for attending Board/Committee meetings	—	—	—	—
	▪ Commission	—	—	—	—
	▪ Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
	Total (B)=(1+2)	—	—	—	—
	Total Managerial Remuneration	—	—	—	—
	Overall Ceiling as per the Act	1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013			

C. Remuneration to Key Managerial Personnel, other than MD/Manager/WTB :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.92	5.10	13.02
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	—	—	—
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	- As % of profit	—	—	—
	- Others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total	7.92	5.10	13.02

'ANNEXURE - D' TO THE DIRECTORS' REPORT

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

(₹ in Lakhs)

Type/Name	Section of the Companies Act, 1956	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
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A. COMPANY

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

B. DIRECTORS

1) Mr. R. S. Jalan

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.

Compounding	217(2AA)	<ul style="list-style-type: none"> Non disclosure regarding non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business loss in Annual Report 2011-12. 	₹ 2,000	Company Law Board	None
	217(3)	<ul style="list-style-type: none"> Non disclosure/No Explanation provided on Auditor's opinion regarding internal audit system, which needs to be further strengthened in order to make it commensurate with the size and nature of its business in Annual Report 2011-12. Disclosure required in Directors' Report for Auditor's opinion regarding maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in Annual Report 2011-12. Disclosure required in Directors' Report for non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. 	₹ 3,000	Company Law Board	None

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Type/Name	Section of the Companies Act, 1956	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
2) Mr. S. K. Singhal					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	217(2AA)	<ul style="list-style-type: none"> Non disclosure regarding non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business loss in Annual Report 2011-12. 	₹ 4,000	Company Law Board	None
	217(3)	<ul style="list-style-type: none"> Non disclosure/No Explanation provided on Auditor's opinion regarding internal audit system, which needs to be further strengthened in order to make it commensurate with the size and nature of its business in Annual Report 2011-12. Disclosure required in Directors' Report for Auditor's opinion regarding maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in Annual Report 2011-12. Disclosure required in Directors' Report for non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. 	₹ 9,000	Company Law Board	None
	217(1)(e)	<ul style="list-style-type: none"> Non disclosure regarding total Foreign Exchange used, activities relating to exports, etc. in Annual Report 2011-12. Disclosure required for variation in production of Portland Slag Cement from 5044 MT to 5868 MT in Annual Report 2011-12. Disclosure required for quantity of coal in Annual Report 2011-12. Non disclosure regarding to consumption of High Speed Diesel Oil in quantity of use in comparison to previous year in Annual Report 2011-12. 	₹ 17,000	Company Law Board	None

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Type/Name	Section of the Companies Act, 1956	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
3) Mr. P. C. Sahoo					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	217(2AA)	<ul style="list-style-type: none"> Non disclosure regarding non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business loss in Annual Report 2011-12. 	₹ 3,000	Company Law Board	None
	217(3)	<ul style="list-style-type: none"> Non disclosure/No Explanation provided on Auditor's opinion regarding internal audit system, which needs to be further strengthened in order to make it commensurate with the size and nature of its business in Annual Report 2011-12. Disclosure required in Directors' Report for Auditor's opinion regarding maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in Annual Report 2011-12. Disclosure required in Directors' Report for non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. 	₹ 7,000	Company Law Board	None
	217(1)(e)	<ul style="list-style-type: none"> Non disclosure regarding total Foreign Exchange used, activities relating to exports, etc. in Annual Report 2011-12. Disclosure required for variation in production of Portland Slag Cement from 5044 MT to 5868 MT in Annual Report 2011-12. Disclosure required for quantity of coal in Annual Report 2011-12. Non disclosure regarding to consumption of High Speed Diesel Oil in quantity of use in comparison to previous year in Annual Report 2011-12. 	₹ 5,500	Company Law Board	None

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Type/Name	Section of the Companies Act, 1956	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
4) Mr. T. N. Gunaseelen					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	217(2AA)	<ul style="list-style-type: none"> Non disclosure regarding non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business loss in Annual Report 2011-12. 	₹ 3,000	Company Law Board	None
	217(3)	<ul style="list-style-type: none"> Non disclosure/No Explanation provided on Auditor's opinion regarding internal audit system, which needs to be further strengthened in order to make it commensurate with the size and nature of its business in Annual Report 2011-12. Disclosure required in Directors' Report for Auditor's opinion regarding maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in Annual Report 2011-12. Disclosure required in Directors' Report for non provision of depreciation on Coke Oven Plant in Annual Report 2011-12. 	₹ 7,000	Company Law Board	None
	217(1)(e)	<ul style="list-style-type: none"> Non disclosure regarding total Foreign Exchange used, activities relating to exports, etc. in Annual Report 2011-12. Disclosure required for variation in production of Portland Slag Cement from 5044 MT to 5868 MT in Annual Report 2011-12. Disclosure required for quantity of coal in Annual Report 2011-12. Non disclosure regarding to consumption of High Speed Diesel Oil in quantity of use in comparison to previous year in Annual Report 2011-12. 	₹ 5,500	Company Law Board	None

'ANNEXURE - D' TO THE DIRECTORS' REPORT

Type/Name	Section of the Companies Act, 1956	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
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C. OTHER OFFICERS IN DEFAULT

1) Ms. Ruchika Dhanuka

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	211(3A)	<ul style="list-style-type: none"> Non disclosure regarding the method of amortization (SLM or WDV) of the Capital Expenditure incurred during the relining work of Mini Blast Furnace in Annual Report 2011-12. Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business loss in Annual Report 2011-12. 	₹ 2000	Company Law Board	None
	211(3B)	<ul style="list-style-type: none"> Non disclosure regarding nature of evidence supporting recognition of Deferred Tax Assets comprising of unabsorbed depreciation and business losses in Annual Report 2011-12. 	₹ 1,000	Company Law Board	None
	211 (1) & (2)	<ul style="list-style-type: none"> Non disclosure that outstanding balance of Contractors, Suppliers, Debtors, Creditors and others are subject to confirmation and reconciliation in Annual Report 2011-12. Non disclosure regarding estimated amount of contracts remaining to be executed on capital accounts and not provided in Annual Report 2011-12. Non disclosure regarding in Directors Report for Auditors opinion regarding maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in Annual Report 2011-12. 	₹ 5000	Company Law Board	None

'ANNEXURE - E' TO THE DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014]

To
The Members
K I C METALIKS LIMITED
"Sir RNM House"
3B, Lal Bazar Street, 4th Floor
Room No. 2, Kolkata – 700 001

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K I C METALIKS LIMITED (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (N/A)*;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (N/A)*;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (N/A)*
 - (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (N/A)*
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (N/A)*
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (N/A)*
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (N/A)* and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (N/A)*

(N/A)* Not applicable to the Company during the audit period

'ANNEXURE - E' TO THE DIRECTORS' REPORT

- (vi) Any other laws as may be applicable specifically to the Company.
4. I have also examined compliance with the applicable Clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period).
 - The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE).
5. To the best of my understanding, I am of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
6. **I further report that :**
- Based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit, and also on the review of the quarterly compliance report by respective department heads/Company Secretary/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate system and processes and control mechanism exist in the Company to monitor and to ensure the compliance with applicable general laws such as Labour laws, Competition laws and Environmental laws.
 - The compliance by the Company of the applicable financial laws, like Direct and Indirect Tax laws, has not been reviewed in this audit since the same have been subject to review by Statutory Auditors and other designated professionals.
7. **I further report that :**
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
8. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. I further report that during the audit period the Company has no such specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
10. This report is to be read with our letter of even date which is annexed as '**Annexure - A**' and forms an integral part of this Report.

For **RAKESH AGRAWAL & CO.**
Practising Company Secretaries

Place : Kolkata
Date : 29th May, 2015

Sd/-
(**Prop: Rakesh Agarwal**)
ACS No. 25326
C P No. 9014

'ANNEXURE - E' TO THE DIRECTORS' REPORT

'ANNEXURE - A' TO THE SECRETARIAL AUDIT REPORT

To
The Members
K I C METALIKS LIMITED
"Sir RNM House"
3B, Lal Bazar Street, 4th Floor
Room No. 2, Kolkata – 700 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RAKESH AGRAWAL & CO.**
Practising Company Secretaries

Sd/-
(Prop: Rakesh Agarwal)
ACS No. 25326
C P No. 9014

Place : Kolkata
Date : 29th May, 2015

'ANNEXURE - F' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

INTRODUCTION AND EFFECTIVE DATE

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and was approved and adopted by the Board of Directors at its meeting held on 28th May, 2014. This policy shall be operational with immediate effect.

DEFINITIONS

- 'Board':- Board means Board of Directors of the Company as constituted from time to time.
- 'Director':- Director means Directors of the Company.
- 'Committee':- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- 'Company':- Company means **K I C Metaliks Limited**.
- 'Independent Director':- As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent Director' shall mean a Non-Executive Director, other than a Nominee Director of the Company :
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
 - (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
 - c. apart from receiving Director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives :
 - i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
 - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
 - iv. is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
 - v. is a material supplier, service provider or customer or a lesser or lessee of the Company;
 - f. who is not less than 21 years of age.
- 'Key Managerial Personnel': Key Managerial Personnel (KMP) means-
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;

'ANNEXURE - F' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

- (iii) the Whole Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the applicable statutory provisions/regulations.
- 'Senior Management Personnel':- The expression 'Senior Management Personnel' (SMP) means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

APPLICABILITY

The Policy is applicable to :

- Directors (Executive and Non Executive)
- Key Managerial Personnel (KMP)
- Senior Management Personnel (SMP)

PURPOSE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, KMP and officials comprising the SMP. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMP and SMP.

ACCOUNTABILITIES

- i. The Board is ultimately responsible for the appointment of Directors and KMP.
- ii. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, KMP and the SMP of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

NOMINATION AND REMUNERATION COMMITTEE

a) Objectives of the Committee

The Committee shall :

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in KMP and SMP positions in accordance with the criteria laid down in this Policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and SMP.

b) Constitution of the Committee :

- i. The Board has the power to constitute/reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirements.
- ii. The Nomination and Remuneration Committee comprises of the following:
 - a) The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
 - b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
 - c) Membership of the Committee shall be disclosed in the Annual Report.
 - d) Term of the Committee shall be continued unless terminated by the Board of Directors.

'ANNEXURE - F' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

- c) **Chairman :**
- i) Chairman of the Committee shall be an Independent Director.
 - ii) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
 - iii) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
 - iv) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.
- d) **Committee Members' Interests :**
- i) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
 - ii) The committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- e) **Voting :**
- i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
 - ii) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

APPOINTMENT OF DIRECTORS/KMP'S/SMP

- a) **General Appointment Criteria :**
- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/ her appointment.
 - ii. The Committee should ensure that the person so appointed as Director/Independent Director/KMP/SMP also fulfil the following requirements :
 - a) Shall possess a Director identification Number;
 - b) Shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force;
 - c) Shall give his written consent to act as a Director;
 - d) Shall endeavour to attend all Board Meeting and wherever he is appointed as a Committee Member, the Committee Meeting;
 - e) Shall abide by the Code of Conduct established by the Company for Directors/KMP/SMP.
 - iii. The Director/Independent Director/KMP/SMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- b) **Additional Criteria for Appointment of Independent Directors :**
- The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.
- c) **Term/Tenure :**
- The Term/Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.
- d) **Removal :**
- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

'ANNEXURE - F' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

e) **Letters of Appointment :**

Each Director/KMP/SMP is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

CRITERIA FOR EVALUATION/ASSESSMENT OF DIRECTORS/KMP'S/SMP OF THE COMPANY

The evaluation/assessment of the Directors, KMPs and the SMP of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

a) **Executive Directors :**

The following criteria may assist in determining how effective the performances of the Directors/KMPs/SMP have been:

- Leadership and stewardship abilities
- Contributing to clearly define corporate objectives and plans
- Communication of expectations and concerns clearly with subordinates
- Obtain adequate, relevant and timely information from external sources
- Review and approval achievement of strategic and operational plans, objectives, budgets
- Regular monitoring of corporate results against projections
- Identify, monitor and mitigate significant corporate risks
- Assess policies, structures and procedures
- Direct, monitor and evaluate KMPs, Senior Officials
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles and monitoring activities of committees
- Review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

b) **Non-Executive Directors :**

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they :

- i. Act objectively and constructively while exercising their duties;
- ii. Exercise their responsibilities in a bona fide manner in the interest of the Company; devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- iii. Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- iv. Refrain from any action that would lead to loss of his independence;
- v. Inform the Board immediately when they lose their independence;
- vi. Assist the Company in implementing the best Corporate Governance practices.
- vii. Strive to attend all meetings of the Board of Directors and the Committees;
- viii. Participate constructively and actively in the Committees of the Board in which they are Chairpersons or members;
- ix. Strive to attend the general meetings of the Company;
- x. Keep themselves well informed about the Company and the external environment in which it operates;
- xi. Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

'ANNEXURE - F' TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

- xii. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- xiii. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

REMUNERATION OF DIRECTORS, KMP'S AND SMP

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and other SMP. The Directors, KMP and other SMP's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nomination and Remuneration Committee determines individual remuneration packages for Directors, KMP and SMP of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable Companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the workings of the Company and its goods :

I. Director/Managing Director :

a) Base Compensation (fixed salaries) :

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary :

The Nomination and Remuneration Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

II. Non Executive Independent Directors :

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the Members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other Directors provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

III. KMPs/SMP etc :

The remuneration payable to the KMP and the SMP shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like Production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources, etc. or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

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 Ltd. ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, 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.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the said 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 31st March, 2015;
- b) In the case of the Statement of Profit and Loss, of the Profit 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.

INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143 (1) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the Directors as on March 31, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - i) With reference to Note No. 28 to the financial statements the Company has disclosed the impact of pending litigations on its financial position.
 - ii) The Company did not have long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **AGARWAL MAHESWARI & CO.**

Firm Reg. No. 314030E
Chartered Accountants

D. R. Agarwal
Partner

Membership No. 051484

Place : Kolkata

Date : The 30th day of May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under 'Report on other Legal and Regulatory Requirements' Section of our report of even date

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.
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 any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for the sale of goods and services, and during the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Company has not accepted any deposits from the public to which directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply.
6. We have broadly reviewed the books of account 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 Section 148(1) of the Companies Act, 2013 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.
7. According to the information and explanations given to us in respect of statutory dues:
 - (a) The undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

There is no undisputed statutory dues arrear as at March 31, 2015, for a period exceeding six months from the date they became payable.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (b) There are no dues of Wealth Tax, Customs Duty, Income Tax and Service Tax which have not been deposited on account of any dispute with the relevant authorities. Details of dues towards Excise Duty and Sales Tax that have not been deposited as at March 31, 2015 on account of disputes are as follows :

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise	CENVAT used	9.27	2005	CESTA Tribunal
Central Excise Act, 1994	Excise Duty	117.81	2006	CESTA Tribunal
West Bengal Sales Tax	Statutory form due	12.68	2011	WB Sales Tax Tribunal
West Bengal Sales Tax	Input claim pending	312.31	2012	Joint Commissioner, WB Commercial Tax

- (c) There is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
8. The Company does not have any accumulated loss at the end of the financial year. The Company has neither incurred any cash loss during the financial year covered by our audit nor even in the immediately preceding financial year.
 9. Based on our audit procedures and on the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to Banks.
 10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institutions. Accordingly, the provisions of Clause 3(x) of the Order are not applicable.
 11. According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they have been raised.
 12. 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.**

Firm Reg. No. 314030E
Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Date : The 30th day of May, 2015

BALANCE SHEET for the year ended 31st March, 2015

(₹ in Lakhs)

	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	5,219.92	5,219.92
Reserves and Surplus	3	3,718.91	3,623.46
		8,938.83	8,843.38
Non-Current Liabilities			
Long-Term Borrowings	4	4,750.00	6,160.94
Deferred Tax Liabilities (Net)	5	579.52	734.08
Long-Term Provisions	6	58.65	49.45
		5,388.17	6,944.47
Current Liabilities			
Short-Term Borrowings	7	1,615.57	1,790.66
Trade Payables	8	12,284.96	15,007.69
Other Current Liabilities	9	2,518.19	4,671.80
Short-Term Provisions	10	74.96	103.25
		16,493.68	21,573.40
TOTAL		30,820.68	37,361.25
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	14,046.33	14,758.25
Intangible Assets	11	46.85	70.27
Capital Work-In-Progress		26.27	135.82
		14,119.45	14,964.34
Other Non-Current Assets	12	681.31	677.03
		14,800.76	15,641.37
Current Assets			
Inventories	13	12,326.14	16,960.30
Trade Receivables	14	2,443.57	838.89
Cash and Bank Balances	15	446.98	583.76
Short-Term Loans and Advances	16	154.65	1,925.98
Other Current Assets	17	648.58	1,410.95
		16,019.92	21,719.88
TOTAL		30,820.68	37,361.25
Significant Accounting Policies	1		

The annexed notes (1 to 40) are an integral part of these financial statements.

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Reg. No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

S. K. Singhal

Director

M. Bengani

Chief Financial Officer

R. Fogla (Dhanuka)

Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2015

(₹ in Lakhs)

	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
REVENUE			
Revenue from Operations (Net)	18	42,597.17	47,441.91
Other Income	19	1,693.16	1,530.59
		44,290.33	48,972.50
EXPENSES			
Cost of Materials Consumed	20	25,106.82	14,134.73
Purchase of Stock-in-Trade	21	13,472.44	31,007.78
Changes in Inventories of Finished Goods and Stock-in-Trade	22	(260.09)	(547.07)
Employee Benefits Expense	23	1,053.46	795.42
Finance Costs	24	1,075.48	1,273.61
Depreciation and Amortization Expense		894.47	963.69
Other Expenses	25	2,925.31	1,465.65
		44,267.89	49,093.81
Less : Captive Consumption of cement		–	2.29
Total Expenses		44,267.89	49,091.52
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		22.44	(119.02)
Exceptional Items (Loss on Sale/Discard of Fixed Assets)	26	–	314.14
PROFIT/(LOSS) BEFORE TAX		22.44	(433.16)
Tax Expense			
(1) Current Tax [Including ₹ NIL (₹ 1.65 Lakhs) for earlier years]		4.28	1.65
Less : MAT Credit Entitlement		4.28	–
Net Current Tax		–	1.65
(2) Deferred Tax		(154.56)	–
Total Tax Expenses		(154.56)	1.65
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		177.00	(434.81)
Earnings per Equity Share in (₹)			
Basic and Diluted		2.49	(6.12)

The annexed notes (1 to 40) are an integral part of these financial statements.

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Reg. No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2015

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

S. K. Singhal

Director

M. Bengani

Chief Financial Officer

R. Fogla (Dhanuka)

Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2015

(₹ in Lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Taxes and Exceptional items	22.44	(119.02)
Adjustments for :		
Depreciation and Amortization	894.47	963.69
Profit from sale of vehicle	(0.16)	–
Interest Income	(187.77)	(106.15)
Finance Costs	1,075.48	1,273.61
Operating Profit before Working Capital Changes	1,804.46	2,012.13
Adjustments for (increase)/decrease in Operating Assets :		
Inventories	4,634.16	(3240.70)
Trade Receivables	(1604.68)	555.70
Other Current Assets	762.37	370.31
Short-Term Loans & Advances	1,771.33	(1637.75)
Other Non Current Assets	(4.28)	–
Adjustments for increase/(decrease) in Operating Liabilities :		
Trade Payables	(2722.73)	2,511.45
Other Current Liabilities	(2153.61)	1,922.32
Short-Term Provisions	(28.29)	(7.36)
Long-Term Provisions	9.20	12.11
Deferred Tax Liability (Net)	(154.56)	–
Cash generated from Operations	2,313.37	2,498.21
Direct Taxes (Net)	154.56	(1.65)
Net Cash generated from Operating Activities	2,467.93	2,496.56
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Capital Work-in-Progress	(131.37)	(3814.91)
Interest Received	187.77	106.15
Cash Flow from sale of Vehicle	0.40	225.89
Net Cash generated/(used in) from Investing Activities	56.80	(3482.87)

CASH FLOW STATEMENT

for the year ended 31st March, 2015

(₹ in Lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
C CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Share Capital Including Premiums	–	450.00
Increase/(Decrease) in Working Capital Loan	(175.09)	105.62
Proceeds from Long-Term Borrowings	–	2,986.90
Rapayment of Long-Term Borrowings	(1410.00)	(1106.05)
Increase/(Decrease) in Deferred payment Liability (Net)	(0.94)	–
Bank Balances not considered as cash and cash equivalents	94.09	(134.36)
Finance Costs	(1075.48)	(1273.61)
Net Cash (used in)/generated from Financing Activities	(2567.42)	1,028.50
Net increase/(Decrease) in Cash & Cash Equivalents	(42.69)	42.19
Cash and Cash Equivalents as at the beginning of the year	58.83	16.64
Cash and Cash Equivalents as at the end of the year	16.14	58.83

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Reg. No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2015

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

S. K. Singhal

Director

M. Bengani

Chief Financial Officer

R. Fogla (Dhanuka)

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

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, with the accounting standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013.

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 basis over their estimated useful life as specified in the Schedule II of the Companies Act, 2013. 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, comprises purchase price, freight and handling, non-refundable taxes and duties and other directly attributable costs. 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 for the year ended 31st March, 2015

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 for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2015		As at 31.03.2014	
	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	4,51,00,000	4,510.00	4,06,00,000	4,060.00
Add : Addition during the year	—	—	45,00,000	450.00
Balance at the end of the year 'B'	4,51,00,000	4,510.00	4,51,00,000	4,510.00
Total (A+B)		5,219.92		5,219.92
c) Shares held by Holding Company :	Number of Shares held	% of Shares held	Number of Shares held	% of Shares held
Equity Shares				
Karni Syntex Pvt. Ltd. (Holding Company)	39,80,913	56.08	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.	39,80,913	56.08	37,17,971	52.37
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	14.75
ii) Prachi Projects Pvt. Ltd.	45,00,000	9.98	45,00,000	9.98
iii) Divya Electronics Pvt. Ltd.	38,50,000	8.54	38,50,000	8.54
iv) Potential Electricals & Electronics Pvt. Ltd.	37,50,000	8.31	37,50,000	8.31
v) Stardox Vinimay Pvt. Ltd.	30,70,000	6.81	30,70,000	6.81
vi) Vivek Tracom Pvt. Ltd.	29,50,000	6.54	29,50,000	6.54
vii) Ushita Trading & Agencies Pvt. Ltd.	25,30,000	5.61	25,30,000	5.61

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 for the year ended 31st March, 2015

- 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 31.03.2015	As at 31.03.2014
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	1,349.58	1,784.39
Less : Adjustment for Fixed Asset	81.55	–
Add : Profit after tax for the year	177.00	(434.81)
Balance at the end of the year 'C'	1,445.03	1,349.58
Total (A+B+C)	3,718.91	3,623.46
4. LONG-TERM BORROWINGS		
Term Loans		
From Banks (Secured)	1,100.00	2,200.00
From Others (Unsecured)	3,650.00	3,960.00
Deferred Payment Liabilities (Secured)	–	0.94
	4,750.00	6,160.94

The Term loan from Bank are repayable in 20 equal quarterly instalments of ₹ 275.00 Lakhs each commencing from June 2012. The rate of interest on Term loan from Banks varies from 14.45% to 14.65% 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 liabilities are secured by way of hypothecation of respective assets, acquired on deferred payment credit basis.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2014	Charge/(Credit) to the Statement of Profit and Loss	As at 31.03.2015
5. DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities			
Difference between Book and Tax Depreciation	1,329.86	149.32	1,479.18
Deferred Tax Assets			
Unabsorbed Depreciation & Business Losses as per Income Tax Act	583.67	296.97	880.64
Provision for Employee Benefits	9.84	6.37	16.21
Others	2.27	0.54	2.81
	595.78	303.88	899.66
Deferred Tax Liabilities (Net)	734.08	(154.56)	579.52

	As at 31.03.2015	As at 31.03.2014
6. LONG-TERM PROVISIONS		
Provision for Employee Benefits	58.65	49.45
	58.65	49.45

7. SHORT TERM BORROWINGS		
Loans Repayable on Demand		
Working Capital from Banks (Secured)	1,615.57	1,790.66
	1,615.57	1,790.66

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	12,284.96	15,007.69
	12,284.96	15,007.69

9. OTHER CURRENT LIABILITIES		
Current Maturities of Term Loan of Banks	1,375.00	1,375.00
Current Maturities of Deferred Payment Liabilities	0.94	5.74
Other Payables		
Statutory Liabilities	330.01	325.35
Advances from Customers	773.81	2,770.77
Other Payables	6.45	130.86
Interest Payable on Borrowings	31.98	64.08
	2,518.19	4,671.80

10. SHORT-TERM PROVISIONS		
Provision for Excise Duty	70.68	20.03
Provision for Taxation	4.28	83.22
	74.96	103.25

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2015

11. FIXED ASSETS

(₹ in Lakhs)

Description	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	Cost as at 31.03.2014	Additions/ Capitalised during the Year	Deduction/ Adjustment during the Year	Total Cost as at 31.03.15	Upto 31.03.14	For the Year	Adjustment during the Year*	Upto 31.03.15	As on 31.03.15	As on 31.03.14
I. TANGIBLE ASSETS										
Lease hold Land	187.19	-	-	187.19	54.17	3.74	-	57.91	129.28	133.02
Building & Shed - Factory	1,648.40	-	-	1,648.40	398.72	50.78	-	449.50	1,198.90	1,249.68
Building - Other	27.24	-	-	27.24	3.67	0.43	-	4.10	23.14	23.57
Plant and Equipments	17,198.60	235.28	-	17,433.88	4,258.29	741.78	(93.35)	5,093.42	12,340.46	12,940.31
Furniture and Fixtures	45.54	0.26	-	45.80	44.78	0.66	7.66	37.78	8.02	0.76
Vehicles	278.71	0.61	4.87	274.45	179.03	34.34	10.59	202.78	71.67	99.68
Office Equipments	31.95	2.28	-	34.23	17.57	4.77	(2.47)	24.81	9.42	14.38
Computers	31.61	2.50	-	34.11	28.04	3.44	2.07	29.41	4.70	3.57
Total	19,449.24	240.93	4.87	19,685.30	4,984.27	839.94	(75.50)	5,899.71	13,785.59	14,464.97
Assets Given on Lease										
Building & Shed	256.48	-	-	256.48	111.58	7.77	-	119.35	137.13	144.90
Plant and Equipments	246.38	-	-	246.38	98.01	23.34	(1.43)	122.78	123.60	148.37
Furniture and Fixtures	0.15	-	-	0.15	0.14	-	-	0.14	0.01	0.01
Total Assets given on Lease	503.01	-	-	503.01	209.73	31.11	(1.43)	242.27	260.74	293.28
Total Tangible Assets	19,952.25	240.93	4.87	20,188.31	5,194.00	871.05	(76.93)	6,141.98	14,046.33	14,758.25
PREVIOUS YEAR	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	
II. INTANGIBLE ASSETS										
Computer Software	5.22	-	-	5.22	2.12	1.03	-	3.15	2.07	3.10
Know-How	111.95	-	-	111.95	44.78	22.39	-	67.17	44.78	67.17
Total Intangible Assets	117.17	-	-	117.17	46.90	23.42	-	70.32	46.85	70.27
PREVIOUS YEAR	117.17			117.17	23.46	23.44		46.90	70.27	
GRAND TOTAL	20,069.42	240.93	4.87	20,305.48	5,240.90	894.47	(76.93)	6,212.30	14,093.18	14,828.52
PREVIOUS YEAR	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	

*Note : The adjustment in the Depreciation/Amortization includes ₹ (81.55) Lakhs which is the transitional impact of reassessment of remaining useful life of assets as per provisions of schedule II of the Companies Act, 2013 and remaining ₹ 4.62 Lakhs relates to adjustment regarding disposal of Vehicle.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
12. OTHER NON CURRENT ASSETS		
Mat Credit Entitlement	681.31	677.03
	681.31	677.03
13. INVENTORIES		
<i>(Valued at Cost or Net Realisable Value whichever is lower)</i>		
Raw Materials [Included Goods in Transit ₹ 83.12 Lakhs (previous year ₹ 86.05 Lakhs)]	10,858.17	15,806.42
Finished Goods	1,099.43	788.69
Stores and Spares	368.54	365.19
	12,326.14	16,960.30
14. TRADE RECEIVABLES		
<i>(Unsecured, Considered Good)</i>		
Outstanding for a period exceeding six months from the due date of payment	165.30	169.75
Others	2,278.27	669.14
	2,443.57	838.89
15. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	7.12	3.91
Balances with Banks		
In Current Account	9.02	54.92
	16.14	58.83
Other Bank Balances		
In Fixed Deposits Account	430.84	524.93
<i>(Pledged with Bank as Margin Money for Letter of Credit & Bank Guarantee)</i>		
	446.98	583.76
16. SHORT-TERM LOANS AND ADVANCES		
<i>(Unsecured, Considered Good)</i>		
Advances to Parties		
<i>(Recoverable in Cash or in Kind or Value to be Received)</i>	154.65	1,925.98
	154.65	1,925.98

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
17. OTHER CURRENT ASSETS		
Balance with Revenue Authorities	495.62	789.62
Security Deposit	152.96	123.77
Others	–	497.56
	648.58	1,410.95
18. REVENUE FROM OPERATIONS		
Sale of Goods	46,170.89	49,356.50
Less: Excise Duty	3,573.72	1,914.59
Revenue from Operations (Net)	42,597.17	47,441.91
Sales of Goods comprises		
Pig Iron	32,268.40	16,211.63
Coke & Coal	12,376.32	30,449.57
Others	1,526.17	2,695.30
Total Sale of Goods	46,170.89	49,356.50
19. OTHER INCOME		
Interest Income	187.77	106.15
Commission Income	1,458.84	1,355.76
Lease Rental	36.00	36.00
Sundry Liabilities relating to earlier years written back	10.39	32.68
Profit on sale of Vehicle	0.16	–
	1,693.16	1,530.59
20. COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	15,806.42	12,611.52
Add : Purchases	20,158.57	17,329.63
	35,964.99	29,941.15
Less : Closing Stock	10,858.17	15,806.42
	25,106.82	14,134.73
Raw Materials Consumption Comprises		
Iron Ore	10,573.63	5,017.60
Coke	13,299.92	8,713.27
Others	1,233.27	403.86
Total Raw Material Consumed	25,106.82	14,134.73

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
21. PURCHASE OF STOCK-IN-TRADE		
Coke and Coal	12,188.57	29,265.92
Others	1,283.87	1,741.86
	13,472.44	31,007.78
22. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Closing Stock of Finished Goods	1,099.43	788.69
Less : Opening Stock of Finished Goods	788.69	248.98
(Increase)/Decrease in Inventory	(310.74)	(539.71)
Excise Duty on account of change in stock of Finished Goods (Refer Note 35)	50.65	(7.36)
	(260.09)	(547.07)
23. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages including Bonus	962.94	723.71
Contribution to Provident and other Funds	77.43	58.64
Staff Welfare Expenses	13.09	13.07
	1,053.46	795.42
24. FINANCE COSTS		
Interest Expense	1,075.48	1,273.61
	1,075.48	1,273.61
25. OTHER EXPENSES		
Consumption of Stores and Spare Parts	761.58	426.50
Power and Fuel	1,082.92	697.69
Rent	12.58	14.64
Repairs to Buildings	3.12	–
Repairs to Machinery	31.36	15.49
Insurance	9.80	11.65
Rates and Taxes, excluding Taxes on Income	22.44	21.32
Carriage Outwards	686.90	48.12
Irrecoverable Debts and Advances written off	2.22	16.34
Payment to Auditor		
For Statutory Audit	2.50	2.50
For Taxation Matters	0.50	0.50
For Other Services	0.23	0.48
Miscellaneous Expenses	309.16	210.42
	2,925.31	1,465.65

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
26. EXCEPTIONAL ITEMS		
Loss on Sale/Discard of Fixed Assets	—	314.14
	—	314.14

27. Estimated amount of contracts remaining to be executed (Net of advances) on capital account and not provided for ₹ 22.06 Lakhs (previous year ₹ 28.64 Lakhs).

28. Contingent Liabilities not provided for in respect of :

- Excise Duty matters pending ₹ 127.08 Lakhs (previous year ₹ 127.08 Lakhs) before CESTA Tribunal.
- West Bengal Vat Appeal matters pending ₹ 12.68 Lakhs before WB Sales Tax Tribunal and ₹ 312.31 Lakhs before Senior Joint Commissioner, Commercial Taxes. (previous year ₹ NIL).
- 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).

29. **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, 2015 under revised Accounting Standard - 15 norms and accordingly ₹ 11.59 Lakhs has been provided in the books in the current financial year.

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

	As at 31.03.2015	As at 31.03.2014
Assets/Liabilities		
1. Present Value of obligation	49.96	39.49
2. Fair Value of Plan Assets	NIL	NIL
3. Net Asset/(Liability) recognized in Balance Sheet	(49.96)	(39.49)

	For the year ended 31.03.2015	For the year ended 31.03.2014
Employer Expense		
1. Current Service Cost	5.97	5.10
2. Total Employer Expense	11.59	10.67

ii) **Summary of Membership Data**

	As at 31.03.2015	As at 31.03.2014
Number of employee	278	270
Total Monthly Salary (₹ In Lakhs)	17.11	14.86
Average past service	6.39	6.06
Average future service (years)	20.42	21.09

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

iii) Summary of Financial Assumption Data

(₹ in Lakhs)

	As at 31.03.2015	As at 31.03.2014
Discount Rate per annum Compound	7.80%p.a.	9.00%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	IALM 06-08 ultimate
Withdrawal Rate	2.00% p.a.	2.00% p.a.

The full results of calculations are set out in disclosure table under revised Accounting Standard - 15 is reported below :

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)

Total expense recognized in the Statement of Profit & Loss Year Ended 31st March, 2015

A. Components of Employer Expense	
1. Current Service Cost	5.97
2. Interest Cost	3.55
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)	2.07
8. Total expense recognized in the Statement of Profit & Loss	11.59
B. Actual Contribution and Benefits Payments for period ended 31st March, 2015	
1. Actual benefit payments	1.12
2. Actual Contributions	1.12

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

Net Asset/(Liability) recognized in the Balance Sheet – 31st March, 2015

(₹ in Lakhs)

A. Funded Status	
1. Present value of Defined Benefit Obligation	49.96
2. Fair value of Plan Assets	–
3. Funded status [Surplus/(Deficit)]	(49.96)
4. Effect of Balance Sheet Asset Limit	–
5. Unrecognized Past Service Costs	–
6. Net Asset/(Liability) recognized in Balance Sheet	(49.96)
i) Net Asset/(Liability) recognized in Balance Sheet at beginning period	(39.49)
ii) Employer expense	11.59
iii) Employer Contribution	1.12
iv) Net Asset/(Liability) recognized in Balance Sheet at end of the period	(49.96)

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	39.49
2. Current Service Cost	5.97
3. Interest Cost	3.55
4. Curtailment Cost/(Credit)	–
5. Settlement Cost/(Credit)	–
6. Employee Contribution	–
7. Plan Amendments	–
8. Acquisitions	–
9. Actuarial (Gains)/Losses	2.07
10. Benefit Paid	(1.12)
11. Present value of Defined Benefit Obligation at the end of period	49.96
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	1.12
5. Employee Contributions	–
6. Benefits Paid	(1.12)
7. Plan Assets at the end of period	–

30. a) Primary Segment (by Business Segment) :

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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2015

(₹ in Lakhs)

b) Secondary Segment (by Geographical Segment) :

- The secondary segment is based on geographical demarcation i.e., in India and outside India.
- Information about secondary segment is as follows :

Revenue	2014-15	2013-14
Domestic Revenue	46,140.96	49,356.50
Export Revenue	29.93	–
	46,170.89	49,356.50

- All segment assets of the Company are located in India.

31. RELATED PARTY DISCLOSURES

a) List of Related Parties and relationship

Party	Relationship
I. KEY MANAGERIAL PERSONNEL	
A. Mr. R. S. Jalan	Managing Director
B. Mr. B. K. Singh	Executive Director
C. Mr. M. Bengani	Chief Financial Officer
D. Mrs. R. Fogla (Dhanuka)	Company Secretary
II. RELATED PARTY	
A. Karni Syntex Pvt. Ltd.	Holding Company

b) Transactions during the year.

Particulars	2014-2015	2013-2014
1. With Key Management Personnel		
i. Directors Remuneration	36.04	32.40
ii. Other KMPs Remuneration	13.02	10.97

32. As required by Accounting Standard - 20 'Earnings per Share' necessary figures are furnished below :

	2014-2015	2013-2014
a) Profit/(Loss) after taxation (₹ in Lakhs)	177.00	(434.81)
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) (₹)	2.49	(6.12)
f) EPS (Diluted) (₹)	2.49	(6.12)

33. 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, 2015. 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 for the year ended 31st March, 2015

(₹ in Lakhs)

34. In pursuance of the provisions of the Companies Act, 2013, effective from 1st April, 2014, the Company has reassessed the remaining useful lives of Fixed Assets to comply with the useful life as mentioned in Schedule II of the said Act. As a consequence of such reassessment, the charge for depreciation for the year ended 31st March, 2015 is lower than the previously applied rates by ₹ 155.53 Lakhs. The transitional impact of ₹ 81.55 Lakhs has been adjusted from the opening balance of retained earnings.
35. Excise Duty and Cess on Inventory of Finished Goods represent differential Excise Duty and Cess on opening and closing stock of Finished Goods.

36. PARTICULARS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Consumption of Raw Materials	2014-2015		2013-2014	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Imported	7,519.63	29.95	5,348.17	37.84
Indigenous	17,587.20	70.05	8,786.56	62.16
Total	25,106.83	100.00	14,134.73	100.00

Consumption of Stores & Spares	2014-2015		2013-2014	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
Imported	4.85	0.64	–	–
Indigenous	756.73	99.36	424.70	100.00
Total	761.58	100.00	424.70	100.00

37. C.I.F. VALUE OF IMPORTS

	2014-2015	2013-2014
For Materials (Including Trading Materials)	18,649.39	32,168.62
For Capital Assets	–	578.06

38. There is no expenditure in foreign currency on account of royalty, know how, professional and consultancy fees, interest, etc and there is no earnings in foreign currency during the year.
39. 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.
40. Previous year figures have been re-grouped/re-arranged wherever necessary.

In terms of our report of even date attached

For **AGARWAL MAHESWARI & CO.**

Firm Reg. No. 314030E

Chartered Accountants

D. R. Agarwal

Partner

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2015

For and on behalf of the Board of Directors

R. S. Jalan

Chairman and Managing Director

S. K. Singhal

Director

M. Bengani

Chief Financial Officer

R. Fogla (Dhanuka)

Company Secretary

[illegible]



Safe Harbour



The statements made in this Annual Report including the Management's Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" within the meaning of applicable Securities Laws & Regulations and are based on the currently held beliefs and assumptions of our management, which are expressed in good faith and in their opinion, reasonable. Actual results could differ from those expressed and implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. Several factors could make a significant difference to the Company's operations which includes climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities, raw material price changes, domestic supply and prices conditions, Company's success in attracting and retaining Key Personnel, integration and re-structuring activities, general business and economic conditions over which the Company does not have any direct control. Because such statements deal with the future events they are subject to various risks and uncertainties. You are cautioned not to place undue relies on these forward looking statements.

The Company undertakes no obligations to revise or update the forward looking statements, whether as a result of new information, future events or otherwise.



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K I C METALIKS LIMITED
www.kicmetaliks.com



K I C METALIKS LIMITED

(CIN : L01409WB1986PLC041169)

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING of the shareholders of **K I C METALIKS LIMITED** will be held on Tuesday, 29th September, 2015 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 receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015, the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Radhey Shyam Jalan (DIN: 00578800) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. Agarwal Maheswari & Co., Chartered Accountants, Statutory Auditors of the Company, and to fix their remuneration and to pass, with or without modification(s) the following resolution as **Ordinary Resolution** :

" **RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to resolution passed by the shareholders at the 27th Annual General Meeting held on 9th September, 2014, the appointment of M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Reg. No. 314030E), of as the Statutory Auditors of the Company to hold office till the conclusion of next Annual General Meeting, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be recommended by the Audit Committee in consultation with the Auditors."

" **RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

AS SPECIAL BUSINESS :

4. **Re-appointment of Mr. Barun Kumar Singh (DIN: 05292536) as Whole Time 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, if any, of the Companies Act, 2013 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 and subject to such conditions as may be imposed by any authority, the consent of the Company be and is hereby accorded for the re-appointment of Mr. Barun Kumar Singh (DIN: 05292536), as a Whole Time Director under the designation "Executive Director" of the Company for a period of three years with effect from 30th May, 2015, on such remuneration and terms and conditions as enumerated in the Explanatory Statement annexed hereto, and as recommended by the Nomination and Remuneration Committee and/or approved by Board of Directors of the Company from time to time and as may be acceptable to Mr. Barun Kumar Singh. He shall also be liable to retire by rotation at the Annual General Meeting in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Whole Time Director in case he is re-appointed by the shareholders."

" **RESOLVED FURTHER THAT** notwithstanding anything herein above stated wherein any financial year closing on or after 31st March, 2015 during the tenure of Mr. Barun Kumar Singh, Whole time Director of the Company, the Company incurs loss or its profits are inadequate, the Company 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 Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time."

“ RESOLVED FURTHER THAT the Board of Directors 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 as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution.”

5. 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 148 and all other applicable provisions of the Companies Act, 2013 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 Reg. No. 101620, Membership No. 7442), Cost Accountants of Samrat Apartment, P-18, Suren Sarkar Road, Kolkata - 700010 as Cost Auditors to audit the cost records of the Company for the financial year 2015-16 on a remuneration of ₹ 25,000/- (Rupees twenty five thousand only) all excluding service tax and out of pocket expenses, be and is hereby ratified.”

“ RESOLVED FURTHER THAT the Board of Directors of the Company and/or Mrs. Ruchika Fogla (Dhanuka) (Membership No. ACS23339) Company Secretary, be and are hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution and to file necessary form(s)/ return(s), if any with the Registrar of Companies and other Statutory authorities.”

Registered Office : By Order of the Board
“Sir RNM House”,
3B, Lal Bazar Street,
4th Floor, Room No. 2,
Kolkata - 700 001

For **K I C METALIKS LIMITED**

Ruchika Fogla (Dhanuka)
Company Secretary

Dated : The 30th day of May, 2015 (Membership No. ACS23339)

IMPORTANT NOTES :

- 1. A shareholder entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy/proxies to attend and vote on a poll instead of himself/herself and the proxy need**

not be a shareholder 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 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 pin code and address proof) and bank particulars (along with Bank MICR code) to the Secretarial Department of the Company at its Registered Office at “Sir RNM House”, 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata - 700001 or the Registrar & Share Transfer Agent (RTA), M/s. S. K. Infosolutions Pvt. Ltd. at 34/1A, Sudhir Chatterjee Street, Kolkata - 700006, quoting reference of their folio number and in case their shares are held**

in dematerialized form, this information should also 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 RTA. 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 Participant. 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. The Annual Report 2014-15 is being sent through electronic mode only to the shareholders whose e-mail addresses are registered with the Company/Depository Participant(s), unless any shareholder has requested for a physical copy of the same. For the shareholders who have not registered their e-mail addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
12. Electronic copy of the Notice of the "Meeting" inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the shareholders whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any shareholder has requested for a hard copy of the same. For shareholders who have not registered their e-mail address, physical copies of the Notice of the "Meeting" indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. A shareholder desirous of getting any information on the accounts or operations of the Company or

on 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".

14. **The Register of Shareholders and the Share Transfer Books of the Company will remain closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive).**
15. **A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the "Meeting" under Items no. 4 and 5 is annexed hereto.**
16. Brief resume of Directors including those proposed to be appointed/re-appointed at the "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, are annexed hereto as a part of this Notice.
17. Shareholders who hold shares in physical form in multiple folios in identical names or joint holding in the same 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.
18. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its shareholders, the facility to exercise their right to vote at the "Meeting" by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the "Meeting" ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- A. The facility for voting through ballot paper shall be made available at the "Meeting" and the shareholders attending the "Meeting" who have not cast their vote by "remote e-voting" shall be able to exercise their right at the "Meeting" through ballot paper.
- B. The shareholders who have cast their vote by "remote e-voting" prior to the "Meeting" may also attend the same but shall not be entitled to cast their vote again.
- C. The "remote e-voting" period commences on 25th September, 2015 (09:00 am) and ends on

28th September, 2015 (05:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote by "remote e-voting". The "remote e-voting" module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently.

The procedure and instructions for shareholders for "remote e-voting" are as under :

1. In case of shareholders receiving e-mail from NSDL (for those shareholders whose e-mail address are registered with Company/Depositories).
 - a. Open e-mail and open PDF file viz. - "remote E-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for "remote e-voting". Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com>**.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. 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.
 - f. Home page of "remote e-voting" opens. Click on "remote e-voting" : Active Voting Cycles.
 - g. Select "EVEN" of "**K I C Metaliks Limited**".
 - h. Now you are ready for "remote e-voting" as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. 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 at **kic.scrutinizer@gmail.com** or **evoting@kicmetaliks.com** with a copy marked to **evoting@nsdl.co.in**.

2. **In case of shareholders receiving Physical copy of Notice of the "Meeting" (for shareholders whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
 - a. Initial password is provided in the Attendance Slip for the "Meeting"
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- D. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and "remote e-voting" user manual for shareholders available at the downloads Section of **www.evoting.nsdl.com** or call on toll free no. : 1800-222-990.
- E. If you are already registered with NSDL for "remote e-voting" then you can use your existing user ID and password/PIN for casting your vote.
- F. 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).
- G. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **22nd September, 2015**.
- H. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 22nd September, 2015, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or to the RTA, M/s. S. K. Infosolutions Pvt. Ltd. at **skcdilip@gmail.com**.

However, if you are already registered with NSDL for "remote e-voting" then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free no: 1800-222-990.

- I. A shareholder may participate in the "Meeting" even after exercising his right to vote through "remote e-voting" but shall not be allowed to vote again at the "Meeting".
 - J. A person, whose name is recorded in the register of shareholders or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of "remote e-voting" or voting at the "Meeting" through ballot paper.
 - K. Mrs. Alpana Agarwal, Practicing Company Secretary (Membership No. ACS36445), has been appointed as the Scrutinizer to scrutinize the voting and "remote e-voting" process in a fair and transparent manner.
 - L. The Chairman shall, at the "Meeting", at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those shareholders who are present at the "Meeting" but have not cast their votes by availing the "remote e-voting" facility.
 - M. The Scrutinizer shall after the conclusion of voting at the "Meeting", will first count the votes cast at the meeting and thereafter unblock the votes cast through "remote e-voting" in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than three days of the conclusion of the "Meeting", a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kicmetaliks.com and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing and will also be communicated to the BSE Limited.
 - N. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the "Meeting" i.e. 29th September, 2015.
19. Shareholders may also note that the Notice of the "Meeting" and the Annual Report 2014-15 will be available on the Company's website, www.kicmetaliks.com. The physical copies of the Annual Report 2014-15, Notice of the "Meeting" and all documents referred to in the 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 during working hours except Sundays and Public Holidays up to the date of the "Meeting".

EXPLANATORY 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

Mr. Barun Kumar Singh was appointed as an Executive Director of the Company with effect from 30th May, 2012 for a period of 3 years. During his tenure as an Executive Director, the Company has made significant progress in building up a strong production base with establishment of a new Sinter Plant and Captive Power Plant thus strengthening its manufacturing, and business management areas including planning, process and operations.

The present term of Mr. Barun Kumar Singh as an Executive Director expires on 29th May, 2015. The Board of Directors of the Company in its meeting held on 30th May, 2015 re-appointed Mr. Barun Kumar Singh as Executive Director of the Company for a period of 3 years with effect from 30th May, 2015 on the terms and conditions and payment of remuneration as recommended by Nomination and Remuneration Committee as set out in this explanatory statement which is in accordance with Schedule V of the Companies Act, 2013, as amended by the Central Government from time to time.

With the introduction of Schedule V of the Companies Act, 2013, 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 Companies Act, 2013 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 Section II(A) of Part II of Schedule V of the Companies Act, 2013. Hence, the Company is required to obtain the approval of the shareholders by way of a Special Resolution for the payment of remuneration to Mr. Barun Kumar Singh, a Whole-Time Director of the Company in the absence/inadequacy of profits as per limits and terms and conditions approved as under :-

Broad Particulars of the terms of appointment of and remuneration payable to Mr. Barun Kumar Singh are as under :

Mr. Barun Kumar Singh be re-appointed as Whole Time Director of the Company for a period of three years with effect from 30th May, 2015. During currency of such three years period of Directorship of Mr. Barun Kumar Singh will be liable to retire by rotation at the Annual General Meeting in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Whole Time Director in case he is re-appointed by the shareholders.

1. As Whole Time Director of the Company, Mr. Barun Kumar Singh shall devote whole of his time, attention and ability to the business and affairs of the Company, subject to superintendence, control and directions of the Board.
2. In consideration of his services as Whole Time Director, Mr. Barun Kumar Singh shall be entitled to receive the following by way of remuneration :

A. BASIC SALARY & ALLOWANCES (₹ per month)

1. Basic Salary	46,500.00
2. H.R.A	9,300.00
3. Medical Allowance	3,873.00
4. Special Allowance	77,447.00
5. Conveyance Allowance	9,300.00
6. Leave Travel Allowances	3,873.00
TOTAL	1,50,293.00

7. Car with driver provided, maintained by the Company for official use.

B. PERQUISITES

In addition to the salary payable, Mr. Barun Kumar Singh shall also be entitled for perquisites to provision for gas, electricity, water and furnishings, medical reimbursement, leave and leave travel concession, fees of clubs, premium in respect of personal accident policies, provision of car for use on Company's business, telephone at residence, encashment of leave at the end of tenure and other benefits, in accordance with the schemes and Rules of the Company for its staff, as applicable from time to time or as may be agreed to by the Board of Directors and Mr. Barun Kumar Singh. Perquisites should be allowed in addition to the salary as but within the overall limit, if any, prescribed under Schedule V of the Companies Act, 2013, as amended from time to time.

C. EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND

As per Rules of the Company.

D. GRATUITY

Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the Rules of the Company.

Company's contribution to Provident Fund and Superannuation on or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure, shall not be included in the computation of limits for the remuneration on or perquisites aforesaid.

E. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, in the event of loss, absence or inadequacy of profits in any financial year during the term of office of Mr. Barun Kumar Singh, the remuneration payable to him by way of salary, allowances, commissions and perquisites shall not, without the approval of the Central Government (if required), exceed limit specified in Section II (A) of Part II of Schedule V to the Companies Act, 2013 including any amendment(s), modification(s), variation(s) or re-enactment thereof.

F. VARIATION

The terms of appointment and remuneration given herein above may be altered, varied and increased from time to time by the Board of Directors and/or its Committee, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment thereof) or as may be agreed to between the Board of Directors and the concerned Director.

The above payment shall be governed by the provisions of Schedule V of the Companies Act, 2013 or any amendment thereof.

The Nomination and Remuneration Committee in its meeting held on 30th May, 2015, also approved the re-appointment and remuneration of Mr. Barun Kumar Singh and recommended the same to the Board of Directors for their approval.

The draft of the Resolution passed by the Board of Director for re-appointment of Mr. Barun Kumar Singh is open for inspection at the Registered Office of the Company on all working days during working hours except Sundays and Public Holidays up to the date of the Annual General Meeting.

The above material terms of re-appointment and remuneration payable to Mr. Barun Kumar Singh should be considered an abstract and the Memorandum of Interest, pursuant to the provisions of Section 190 of the Companies Act, 2013.

The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Save and except Mr Barun Kumar Singh, 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 proposed resolution, except and to the extent of their shareholding, if any in the Company.



**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 Hot Metal/ 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 :

(₹ in Lakhs)

Particulars	2014-15	2013-14	2012-13
Earnings before interest (finance cost), depreciation and amortization, Exceptional items & Taxation	1,992.39	1,934.60	3,346.24
Less : Finance Costs	1,075.48	1,089.93	1,652.17
Less : Exceptional items (Loss on sale/discard of Fixed Assets)	-	314.14	300.80
Less : Depreciation and amortization expenses	894.47	963.69	978.50
Profit/(Loss) Before Taxation	22.44	(433.16)	414.77
Less : Tax expenses [net of deferred tax effect and MAT credit entitlement/written off (net)]	(154.56)	1.65	193.64
Profit/(Loss) After Taxation	177.00	(434.81)	221.13
Add : Surplus brought forward	1,349.58	1,784.39	1,563.26
Less : Adjustment relating to depreciation on Fixed Assets (pursuant to enactment of Schedule II to the Companies Act, 2013)	81.55	-	-
Surplus available for appropriation	1,445.03	1,349.58	1,784.39
Less : Appropriations	-	-	-
Net surplus carried to Balance Sheet	1445.03	1,349.58	1,784.39

5. Foreign Investment or collaborators, if any : None

II. Information about the Appointee:

	Mr. Barun Kumar Singh
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 24 years in this field, he has worked with Companies like Usha Martin Limited, Neo Metaliks Limited and Adhunik Metaliks Limited.
Past Remuneration (₹ in Lakhs)	15.03
Recognition and Awards	-
Job profile and his suitability	He is a Whole-Time Director of the Company since 30th May, 2012 and is fully conversant with the activities of the Company. As an Executive Director, he have been devoting whole of his time and attention to the business and affairs of the Company and is performing such duties and exercises such powers as may from time to time be entrusted to or vested in him by the Board of Directors subject to superintendence, control and direction of the Board of Directors.
Remuneration proposed	As mentioned in the Statement to Item No. 4 of this Notice.
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.
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III. Other information:

1. Reasons of loss or inadequate profits	Indian economy performed well in financial year 2014-15. Though India's growth rate achieved a new high of 7.3 per cent, the steel industry was reeling under various regulatory pressures and steel prices continued to remain weak this year too. The Hot Metal industry too had to bear the brunt. Decline in realisation from sale of Hot Metal affected your Company's bottom line and thus resulted in inadequate profits.
2. Steps taken or proposed to be taken for improvement	Your Company has successfully completed modernization cum expansion of its Mini Blast Furnace with the latest State of the Art Technology in financial year 2013-14 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 and a 4.7 MW Captive Power Plant, which, coupled with the modernised Mini Blast Furnace will increase profitability in long run.
3. Expected increase in productivity and profits in measurable terms.	With the above, the production, turnover and profitability of the Company should improve.

ITEM NO. 5

The Board of Directors 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 for the financial year 2015-16.

In accordance with the provisions of Sections 141 and 148 and all other applicable provisions, if any, of the Companies Act, 2013 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2015-16.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT IN THE TWENTY EIGHTH ANNUAL GENERAL MEETING (Pursuant of Clause 49 of Listing Agreement)

Name of Director(s)	Mr. Barun Kumar Singh	Mr. Radhey Shyam Jalan
Date of Birth	08.08.1965	23.06.1980
Qualifications	B. Sc (Engineering) (Metallurgical)	B. Com (Honours), Chartered Accountant
Date of Appointment	30.05.2012	07.08.2009
Expertise in specific functional areas	Blast Furnace Operations	Management, Finance and Business administration
List of other Public Companies in which Directorship held (excluding Foreign Companies)	None	None
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding Foreign Companies)	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil	Nil

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@kicmetaliks.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 **28thAnnual General Meeting** held on **Tuesday, September 29, 2015** 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

E-voting facility is available during the following voting period :

Commencement of E-voting	End of E-voting
23 rd September, 2015, Wednesday from 09.00 a.m.	25 th September, 2015, Friday till 05.00 p.m.

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@kicmetaliks.com **Website :** www.kicmetaliks.com**28thANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 29, 2015 AT 10.00 A.M.**

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

- | | | | |
|-----|----------------|----------------|----------------------------------|
| (1) | Name | Address..... | Signature.....or failing him/her |
| | E-mail Id..... | Signature..... | |
| (2) | Name | Address..... | Signature.....or failing him/her |
| | E-mail Id..... | Signature..... | |
| (3) | Name..... | Address..... | Signature.....or failing him/her |
| | 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 **28thAnnual General Meeting** of the Company, to be held on **Tuesday, September, 29, 2015 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, 2015 and the Reports of the Board of Directors and Auditors thereon.
2.	Re-appointment of Mr. Radhey Shyam Jalan who retire by rotation.
3.	Ratify the appointment of Statutory Auditors and fixing their remuneration.
Special Business	
4.	Re-appointment of Mr. Barun Kumar Singh as Whole Time Director of the Company and approval of the overall remuneration payable to him.
5.	Ratify remuneration of Cost Auditors of the Company.

Signed thisday of2015

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

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

Affix
Revenue
Stamp

- Notes:**
- 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.