



where vision takes shape...



Soaring Higher

K I C METALIKS LIMITED

ANNUAL REPORT 2018-19

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Investor information



BSE Code :

513693

ISIN :

INE434C01027

AGM Date, Time & Venue :

**Tuesday, 24th September, 2019
at 10.00 a.m. at Kala Kunj,
48 Shakespeare Sarani,
Kolkata – 700 017, West Bengal**

A man in a dark suit and glasses is walking up a set of stairs in the foreground. In the background, a large industrial furnace is glowing with bright orange and yellow molten metal, with sparks and debris flying out from the top. The scene is set against a dark, industrial backdrop.

K I C Metaliks Limited is at an inflection point in its existence.

Over the years, continuous modernization, focus on high value added products and strict quality control are some of the focus areas of the Company that have strengthened operations and have helped in achieving good results.

As part of the strategy to debottleneck the operations, the Company is further planning towards integration and expansion.

**We are soaring higher on the
footprints of persistence &
perseverance.**

10 facts you should know about K I C Metaliks Limited



With 3+ decades of legacy, the Company was established during 1986



Registered office at Kolkata and Manufacturing facility at Raturia, Angadpur, Durgapur



Led by first generation entrepreneur
Mr. Radhey Shyam Jalan



A pure-play Pig Iron Manufacturer in Eastern India



Producer of Foundry grade and Steel grade Pig Iron



Liquid Hot Metal casted in moulds to solidify in form of ingots (pig iron)



Integrated - To reduce dependence on costly iron ore lumps and effective use of waste heat by converting into steam and generate power for captive consumption



Our respectable client-tele are some of the notable names in the Iron & Steel industry



270 employees strength and a cordial relation with unions have contributed to no strikes



Credit rating of BBB for long term & A3+ for short term from CARE



Vision

- Technological improvements.
- Achieving cost-effectiveness.
- Focusing on its unique product quality.
- Expanding its market.
- Achieving customer satisfaction for both stated and implied needs.
- Being a responsible corporate citizen.
- Providing work environments where our employees can meet their potential and thrive in an atmosphere of excellence.

Key manufacturing objectives



Strengthen client relationships

Partnerships: Timely delivery and strong quality helped evolve the Company from a one-off vendor into a trusted partner.

Inventory: Efficient inventory management resulting in timely delivery.

Funding: The Company's long-term relationship with its bankers and its repayment capabilities will help in funding its capex requirements for future projects.



Optimise product mix

Customisation: Customised products in line with demanding client requirements.

Premiumisation: Focus on superior quality translating into enhanced realisations.



Lower production costs

Efficiency: Various initiatives undertaken to enhance capacity utilisation.

Negotiation: Assured offtake and timely payment; better terms with suppliers.

Employees: Lean middle management structure; optimised employee costs; enhanced revenue per employee.

Our value creation model

Resources we rely on

Manufactured capital

Managing the manufactured capital efficiently ensures effective production processes in a cost-effective manner.

Financial capital

Long-term sustainable value is created by re-investing in the business, funding growth opportunities and rewarding shareholders

Stakeholders capital

Shared values with key stakeholders ensure that the K I C Metaliks brand is synonymous with long-term growth, ethical conduct and value creation for communities, employees, government and regulators.

Intellectual capital

Investment in technology and intellectual capital ensures that the company remains abreast of development in the industry, ensuring a competitive cost position.

Natural capital

Protecting the company's natural capital ensures long-term value for stakeholders.

Key business activity





Inputs that we rely on

- Property, Plant & Equipment of ₹ 11,241.07 Lakhs.
- Net Worth of ₹10,194.94 Lakhs.
- CSR spends of ₹ 11.58 Lakhs.
- Regular compliance adherence to various government agencies.
- Lean board with 3 Independent Directors for smooth and efficient functioning of various committees and follow strong governance practices.
- Debottlenecking of MBF plant.
- Improvements made towards conservation of energy.
- Water conservation and recycling for reuse.
- Greenbelt.
- Energy conservation measures.
- Solid waste recycle and reused.

Value creation

- Revenue from Operations of ₹ 84,884.20 Lakhs.
- Operating Profit of ₹ 5,329.80 Lakhs.
- Retained earnings of ₹ 5,980.99 Lakhs.
- EBIDTA Margin of 7.23%.
- PAT Margin of 3.74%
- ₹ 1,484.47 Lakhs spend towards salaries, wages and other employees welfare expenses.
- EPS of ₹ 8.94 per share.
- Market Capitalisation of ₹ 33,011 Lakhs.
- LED lights introduced in place of sodium vapour lights resulting in power saving.
- Capacitor bank for MBF rectified for improvement of power factor.
- Transparent sheet on roof for natural illumination during day time.
- Water sprinkling on roads and material handling areas to control fugitive emissions.
- More than 1000 varieties of trees planted in various location of the plant.
- Rainwater harvesting system.



Chairman's Communique

Dear Members,

A year of optimism

I write this message at the conclusion of a year of triumph for your Company, one which I believe marked a significant, positive, turning point – for our country, economy and Company.

In 2018-19 our Company achieved a great deal in ensuring its ability to sustainably and consistently create value to various associated stakeholders. It was indeed a momentous year with our financial results being the best we have reported for several years, wide-ranging improvements along with transformations being

effected in our production facilities and the Company finding and expanding to newer markets. Most significantly, in 2018-19 we made K I C Metaliks a safer and an attractive place to work.

An inspiring global context

Across the world, steel markets were robust with both demand and prices increasing.

The short-term outlook forecasts a 1.4% growth in global steel demand in 2019, reaching 1,681.20 million tonnes. The demand for steel in the developed world remains healthy, while in the developing countries steel



demand could continue to recover amid challenges. Demand in ASEAN is expected to resume backed by infrastructure programmes in 2019 and onwards. Steel demand in developing Asia (excluding China) is expected to increase by 6.8% in 2019. (Source: World Steel Association)

Steeling the domestic scene

India in 2018 produced 106.50 MT of crude steel, the highest ever. It also overtook Japan as the world's second largest producer of steel. The country's apparent use for finished steel products, a measure of steel demand, increased by 8.3% in 2018 to reach 96 MT, making India the third largest steel using country after China and the US. According to world steel's latest Short Range Outlook (SRO), Indian steel demand growth will be 7.1 % and 7.2 % in 2019 and 2020, respectively, far greater than the forecast for the US, 1.3% and 0.3 %, respectively. If our forecasts are accurate, it means India will become the second largest user of steel in the world this year. Indeed, as India recovers from the demonetisation shock and GST streamlines a previously fragmented taxation system, India continues to unlock its potential for increased growth.

The country is expected to be steel industry's new China. In 2018, India's steel use per capita was 71 kg, well below the global average of 225 kg. Something else to consider is that India's steel geography is very uneven; steel use per capita stands at nearly 250 kg in Uttarakhand, many times more than in Bihar. Important steel using industries, such as the automotive hubs in Haryana, Maharashtra and Tamil Nadu are far removed from steel producing states of Jharkhand and Odisha, although planned infrastructure projects connecting existing industrial cities and sites will increase India's connectivity, reducing logistical costs of transportation across states and boosting steel demand. The decarbonisation of the global economy will be a steel intensive process be it renewable energy, mass transport, smart cities or electrification. India can proudly claim to be leading the way in many aspects of this. (Source: Business Today)

Growth in a contracting market

The year 2018-19 was indeed a year of two halves for India – with very strong business environment in the first half, and a challenging second half after the onset of certain strains in the overall financial system. Regardless of this we continued to peak our market share and delivered strong and profitable performance.

Our Company recorded its highest Revenue from Operation of ₹ 84,884.20 Lakhs in 2018-19. By producing more pig iron only makes sense if we are able to sell it. Our improved revenue – up 47.48% – was derived through our concerted efforts to grow our market share. We became better at serving our customers.

We crowned our achievements in the operational field with our financial performance in 2018-19. On the backdrop of higher productivity and better capacity utilisation levels, EBITDA grew by 78.34% and Net Profit jumped by 187.72%.

Transforming for sustainability

2018-19 marked the beginning of the Sesquicentennial (150 years) celebrations of the birth of the father of our democratic nation, Mahatma Gandhi. Throughout his long and illustrious life, he taught us the importance of belief combined with action: 'Be the change you want to see in the world'; and 'Without action you are going nowhere'.

On the backdrop of higher productivity and better capacity utilisation levels, EBITDA grew by **78.34%** and Net Profit jumped by **187.72%**.

During the year we finalised and began to implement our transformation for sustainability and growth strategy. This new strategic direction aims to transform our business, to position us to more predictably weather the inevitable downturns in the steel cycle and to fully exploit any and all opportunities, including a much hoped for upturn in economic growth and demand.

Outlook

At K I C Metaliks, we anticipate an annual Indian GDP growth of around 6.9 % across the foreseeable future. Given this background, it may not be difficult achieving the National Steel Policy 2017 target of 255 million tonnes of domestic steel production by 2030. When this transpires, there would be a significant demand increase for Pig Iron, attractively positioning a forward-looking Company like ours.

Asia is expected to lead global steel demand, with ASEAN expected to consume 145 million tonnes of steel by 2030, double of what was consumed during 2017 (73.8 million tonnes), much of the additional growth coming from downstream consumers like the automotive, infrastructure and construction sectors. Besides, the government announced a preference for domestically-manufactured steel products in government projects comprising a minimum value addition of 15% in notified steel products. The government also permitted 100% FDI through the automatic route, 20% safeguard duty on steel imports and export duty of 30% on iron ore (lumps and fines), which we believe will catalyse the growth of India's steel industry and in turn for the pig iron industry too.

Widening contribution to the society

We are driven by integrated thinking and thus follow an integrated multi-capital (including other non-financial dimensions like human, social, intellectual and natural)

approach towards value creation. We maintain an unwavering focus on environment, health and safety (EHS) and continuously with the communities who are in the direct impact zone of our operations. That's why our CSR activities goes beyond compliance.

As one of the largest Pig Iron manufactures, we depend on natural resources for running our day to day operations. Across the value chain, we strive to reduce the usage of water, energy and other resources and recycle them wherever possible. Our capacity expansion projects ensure that they strictly adhere to compliances under the emission norms as prescribed by the Government.

Appreciating stakeholder support

As much as our customers have stood by us, so have our investors. Once again we thank and salute our Members for their forbearance and for their faith in our ability to take K I C Metaliks to achieve newer heights. We would be remiss not to recognise the resilience and talents of our employees who, day in and day out, have kept this ship afloat and are now steering it towards our mutually beneficial desired destination.

As Chairman of this outstanding Company, I am mindful of the extremely onerous workload shouldered not just by colleagues and senior management but also by the Board of Directors in 2018-19. The Board responded with enthusiasm and devotion to the need for leadership, addressing the many challenges, risks and opportunities faced by our Company this year. I applaud them all for their willingness, throughout the year.

With warm regards

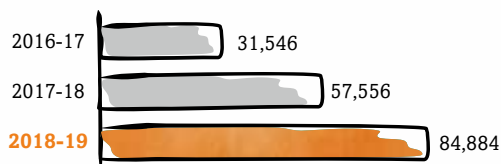
Radhey Shyam Jalan

DIN : 00578800

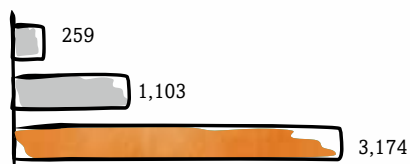


Financial Metrics

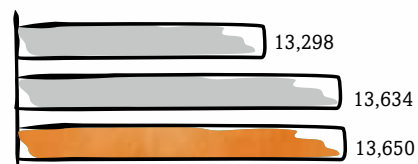
Revenue from Operations
(₹ in Lakhs)



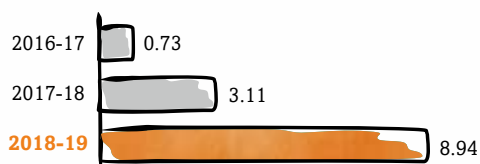
PAT (₹ in Lakhs)



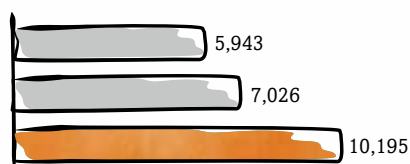
Gross Block (₹ in Lakhs)



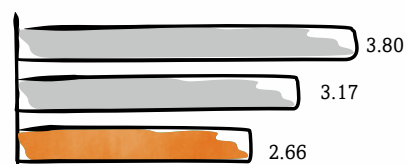
EPS (Face Value ₹ 2 each)



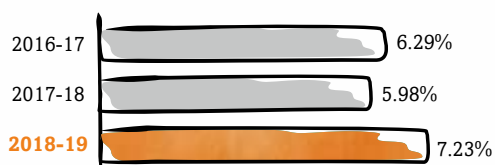
Networth (₹ in Lakhs)



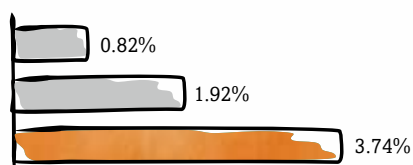
Debt : Equity Ratio



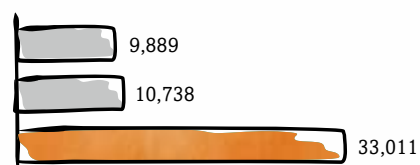
EBIDTA Margin



PAT Margin



Market Capitalisation
(₹ in Lakhs)



How the steel industry is poised to grow



Automotive

- The automotive industry is forecasted to grow in size to US\$ 260-300 billion by 2026.
- The industry accounts for around 10% of demand of steel in India.
- With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.



Capital Goods

- The capital goods sector accounts for 11% of steel consumption and expected to increase 14/15% by 2025-26 and has the potential to increase in tonnage and market share.
- Corporate India's capex is expected to grow and generate greater demand for steel.



Infrastructure

- The infrastructure sector accounts for 9% of steel consumption and expected to increase 11% by 2025-26.
- 70% of the country's infrastructure estimated at Rs. 6 lakh crore (US\$ 89.50 billion) is yet to come up which envisages a significant growth potential for steel sector in present.
- Policies like Pradhan Mantri Awas Yojana and Pradhan Mantri Gram Sadak Yojana are driving demand for steel in rural India.



Airports

- More and more modern and private airports are expected to be set up.
- Development of Tier-II city airports would sustain consumption growth.
- Estimated steel consumption in airport building is likely to grow more than 20% over next few years.



Railways

- The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in future.
- Gauge conversion, setting up of new lines and electrification would drive steel demand.
- PPP Investments in railways are expected to grow from ₹ 24,000 crore (US\$ 3.72 billion) in 2017-18 (RE) to ₹ 27,000 crore (US\$ 4.19 billion) in 2018-19.



Oil and Gas

- India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcfd, respectively, by 2040.
- This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity to the steel industry extending to the pig iron industry.



Power

- The government has envisaged capacity addition of 58,384 MW from conventional sources between 2017-22. Also, the government is targeting to achieve 175 GW of renewable power generation capacity by 2022.
- This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.

Total finished steel consumption

2018-19

96_{MT}

2030-31

230_{MT}

Per capita Steel consumption

2018-19

71_{Kg}

2030-31

160_{Kg}

Risk Management

ORGANISATIONAL RISK IS BEST DEFINED AS THE UNPREDICTABLE ADVERSITY THAT CAN AFFECT PROFITABILITY.

Risk management comprises a systematic approach to identify, analyse and control these unpredictables through risk planning, assessment, developing risk-handling options and monitoring.

At K I C, our risk management framework is designed with the following objectives :

- Identify possible risks and assess possible impact.
- Look beyond mere mitigation and transform risks into opportunities.
- Develop a culture where employees are enthused to respond to risks with appropriate actions.
- Make the internal and external reporting structure more effective.

Key Risk	Nature	Potential Impact	Mitigation Measures
Economy and Industry	External	The Indian Steel Industry is highly cyclical in nature. A change in macroeconomic conditions, such as slowdown in GDP due to structural or one-off factors like demonetisation, interest rate trends, inflation, etc. can have an adverse impact on the industry's performance and bring a slowdown in the downstream sectors which may adversely impact the offtake of the Company's product.	The Indian economy is posed for strong growth. After growing at a dismal 7.2% in 2017-18 the Indian economy grew at 6.8% in 2018-19 which is expected to revive across the foreseeable future. With various safeguard measures initiated by the government, the domestic companies are witnessing a turnaround. K I C Metaliks with a focused business model and a singular product manufacturing capacity is expected to grow sustainably.
Raw Materials	External	As we consume many natural resources and bye-products of other processes, increase in the cost, reduced availability and variable quality of various raw materials and fuels can impact our operations and profitability.	To mitigate this risk, a focus on achieving better operating efficiencies and reducing coke and power consumption continues as a way of life. The Company has also ramped up the use of alternate raw material such as sinter which is produced by mixing low grade iron ore fines and other inputs, which are significantly cheaper. The Company continues to evaluate and assess long term strategic solutions like waste heat recovery systems to manage energy costs.
Compliance	External	The growth in business size, coupled with increasing regulatory enactments, makes the task of compliance increasingly demanding. Non-compliance with statutory provisions could not only lead to monetary penalties but also impact the reputation of the organization and the goodwill it has accumulated over the years.	This risk is mitigated through regular monitoring and review of changes in the regulatory framework, and also conforming to all regulatory norms as laid down by various governing bodies.



Key Risk	Nature	Potential Impact	Mitigation Measures
Environment	External	Steel manufacture is potentially hazardous to the environment and non-conformance to environmental norms could affect business sustainability.	The Company adheres to recycling of waste resources. The Sinter plant utilises the waste fines, captive power utilises waste heat. Dust Catcher, STP, Saturator, Ventury's Scubber, Cyclonic Separator, Electrostatic Precipitator, Gas cleaning plant to keep the emission level well within permissible limit, Water sprinklers installed at materials handling site, Water recycling and reuse and Rain water and drain water harvesting system to recharge underground water resources, etc. are some of the major pollution control measures implemented. The Company has in place adequate environment clearances for its operations.
Liquidity and Funding	Internal	The growth of Company's business can hamper due to its inability to meet daily expenses and procure funds for expansion projects.	The Company has developed a good reputation amongst its bankers providing it with working capital loans. The Company's debt-equity stands to 2.66 in 2018-19 demonstrating its repayment capabilities within timelines. Credit rating of BBB for long term & A3+ for short term from CARE also boost its funding capabilities.
Human Capital	Internal	The Company's ability to enhance value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent/resources can affect performance.	Over the years of its existence, the Company has created a dedicated team driving the business. The employees are regularly trained in a harmonious work environment. The Company also enjoys one of the best retention rates in the industry.
Health and Safety	Internal	The domestic steel industry is labour intensive; it is exposed to health and injury risks due to accidents or negligence.	The Company has a robust approach to enhance safety and health awareness at all its locations. The various measures include the development and implementation of safety standards across the functional units, establishment of processes for safety training across levels, promotion of a safety culture for staff members. Moreover, the Company also covers the risks through appropriate insurance coverage.

CORPORATE INFORMATION

BOARD OF DIRECTORS



Mr. Radhey Shyam Jalan
Chairman and Managing Director



Mr. Suresh Kumar Singhal
Independent Director



Mr. Laxmi Narayan Sharma
Independent Director



Mrs. Manjula Poddar
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mukesh Bengani

COMPANY SECRETARY

Mrs. Ruchika Fogla

STATUTORY AUDITORS

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

Chartered Accountants
1, Old Court House Corner,
Room No. 511, 5th Floor
Tobacco House, Kolkata - 700 001
West Bengal, India

BANKERS

State Bank of India

REGISTERED OFFICE

“Sir RNM House”
3B, Lal Bazar Street, 4th Floor
Room No. 2, Kolkata - 700 001
West Bengal, India
Phone : +91-33 2210-3301
Fax : +91-33 4001-9636

PLANT LOCATION

Raturia, Angadpur, Durgapur - 713 215
West Bengal, India

Phone : +91-98749 43342

REGISTRAR & 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

CIN : L01409WB1986PLC041169



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Second Annual Report on the affairs of the Company together with the Statement of Accounts for the financial year 2018-19. The summarised financial highlights for the financial year vis-a-vis the previous year are as follows:

1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	84,884.20	57,555.95
Profit before Finance Cost, depreciation and taxes	6,140.83	3,443.29
Less:- Finance Cost	715.04	612.81
Depreciation and amortisation	771.00	816.35
Profit Before Taxation	4,654.79	2,014.13
Provision for Taxation	1,480.97	911.04
Profit After Tax for the year	3,173.82	1,103.09
Other Comprehensive Income (net of tax)	(4.51)	(20.19)
Total Comprehensive Income for the year	3,169.31	1,082.90

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

Your Company delivered its highest ever production volume, sale volume, EBITDA and profit after Tax during the financial year 2018-19. Revenue from operations for financial year 2018-19 stood at ₹ 84,884.20 Lakhs, up by 47 % YoY. The Company undertook multiple performance improvement initiatives during the year from diversified sourcing strategy, optimization of logistics costs, procurement costs, to focus on yields and productivity. As a result, the operating EBITDA for the year grew by 78 % YoY to ₹ 6,140.83 Lakhs. The Company posted a net profit of ₹ 3,173.82 Lakhs for financial year 2018-19 as compared to the net profit of ₹ 1,103.09 Lakhs for financial year 2017-18. The increase is primarily on account of improved realisation partly offset by increase in operating cost, mainly raw materials. The Company is striving to continuously increase its presence in the domestic pig iron market by undertaking various research and development projects in the forthcoming financial 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 2018-19.

4. RESERVE

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

5. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2019 stood at ₹ 709.92 Lakhs. However, the Stock-Split/Sub-Division of 1 Equity Share of face value of ₹ 10 /- per share into 5 Equity Shares of face value of ₹ 2/- per share resulted in the below mentioned pre-post Share Capital Structure for the Equity Share Capital of the Company :

Directors' Report

Pre & Post Stock Split – Equity Share Capital Structure (Including Capital & No. of Shares)

Type of Capital	Pre			Post		
	No. of Shares	Face value (in ₹)	Total Share Capital (in ₹)	No. of Shares	Face value (in ₹)	Total Share Capital (in ₹)
Authorised Equity Share Capital	2,50,00,000	10	25,00,00,000	12,50,00,000	2	25,00,00,000
Paid Up Equity Share Capital	70,99,200	10	7,09,92,000	3,54,96,000	2	7,09,92,000

During the year under review, the Company has not issued shares with differential voting rights. As on 31st March, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

Further, there was no change in the Preference Share Capital of the Company.

6. CHANGE IN NATURE OF BUSINESS

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

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

7.1 Retirement by Rotation

Pursuant to the provisions of the Companies Act, 2013, Mr. Radhey Shyam Jalan (DIN : 00578800) Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The information as required to be disclosed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [hereinafter referred to as 'SEBI (LODR) Regulations, 2015'] in case of re-appointment of Directors is provided in the Notice of the ensuing Annual General Meeting.

7.2 Appointment

Mrs. Manjula Poddar, (DIN : 08158445) was appointed as Additional Director designated as Non-Executive Independent Director of the Company w.e.f. 23rd June, 2018 for a period of 5 (five) years. The Members have already approved the said appointments at the 31st Annual General Meeting of the Company held on 26th September, 2018.

7.3 Resignation

Ms. Sayantony Banerjee, (DIN : 06445255) Director designated as Non-Executive Independent Director of the Company resigned from the directorship of the Company w.e.f. 30th May, 2018. Your Board places on record its appreciation for valuable services rendered by her during her tenure as a Director of the Company.

7.4 Declaration of Independent Directors

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 Regulation 25 of SEBI (LODR) Regulations, 2015.

7.5 Key Managerial Personnel

Following officials are appointed as the Key Managerial Personnel 'KMP' of the Company :

- Mr. Radhey Shyam Jalan, (DIN : 00578800) Chairman and Managing Director;
- Mr. Mukesh Bengani, Chief Financial Officer;
- Mrs. Ruchika Fogla, Company Secretary and Compliance Officer.

Remuneration and other details of the KMP are mentioned in the extract of the Annual Return (Form No. MGT – 9) which forms part of this Report.



Directors' Report

7.6 Meetings of the Board

As required under Section 134 of the Companies Act, 2013 the Board of Directors met six times during the financial year 2018-19, 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 and the SEBI (LODR) Regulations, 2015.

7.7 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 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 the 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.

8. 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.

9. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, a separate Report on Corporate Governance is annexed as '**Annexure – B**' and forms an integral part of this Report. A certificate from the Practicing Company Secretary regarding compliance as per SEBI (LODR) Regulations, 2015 is annexed to the Report on Corporate Governance. The declaration by the Managing Director stating that all the Board members and Senior Management Personnel have affirmed their compliance with the Company's Code of Conduct for the year ended 31st March, 2019 is given in the Corporate Governance Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, Management Discussion and Analysis Report is annexed herewith as '**Annexure – C**' and forms an integral part of this 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.

Directors' Report

12. AUDITORS AND AUDITORS' REPORT

12.1 Statutory Auditors

At the 30th Annual General Meeting held on 21st September, 2017, the Members had approved the appointment of M/s. B. N. Agrawal & Co., Chartered Accountants (Firm Registration No. 320312E) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting to be held in the year 2022, subject to ratification by the Members every year, if so required under law. Pursuant to the recent amendment to Section 139 of the Act effective 7th May, 2018, ratification by Members every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Members approval for ratification of Statutory Auditors appointment.

M/s. B. N. Agrawal & Co., Chartered Accountants (Firm Registration No. 320312E) has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the financial year 2019-20. In terms of the SEBI (LODR) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

12.2 Cost Auditors

The Board of Directors had appointed M/s. Patangi & Co. (Firm Registration No. 101919, Membership No. 30818) as Cost Auditors of the Company for the financial year 2019-20 in its meeting held on 28th May, 2019. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Cost Audit Report for the financial year 2017-18 was filed within due date.

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. F8792) 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. The Report does not contain any qualification, reservation or adverse remark.

12.4 Internal Auditors

Your Company has appointed M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Registration No. 314030E), as 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. REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

14. COMPLIANCE CERTIFICATE

The Board has received the Compliance Certificate as required to be given by the Chief Executive Officer and the Chief Financial Officer under Regulation 17(8) of SEBI (LODR) Regulations, 2015 is annexed herewith as '**Annexure – F**' and forms an integral part of this Report.



Directors' Report

15. 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 the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/VIGIL-MECHANISM.pdf>.

16. 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 had approved the policy and the same has been hosted on the website of the Company at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/NOMINATION-AND-REMUNERATION-POLICY.pdf>.

17. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for Prohibition and Redressal of Sexual Harassment at work place which is in line with the requirements of the Sexual Harassment of women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has constituted an Internal Complaint Committee for its Registered Office and Corporate Office under Section 4 of the captioned Act. No complaint has been filed before the said committee till date. The Company has filed an Annual Report with the concerned Authority.

18. AUDIT COMMITTEE

Your Company has an Audit Committee in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. Further details of Audit Committee are given in the Corporate Governance Report annexed as a part of the Directors' Report.

19. FINANCE

19.1 Public Deposits

Your Company has not accepted any deposits during the year under the review nor does the Company have any outstanding deposits under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 as on the date of the Balance Sheet.

19.2 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.

19.3 Contracts and arrangements with related parties

During the financial year ended 31st March, 2019, all transactions with the Related Parties as defined under the Companies Act, 2013 'Act' read with Rules framed thereunder were in the 'ordinary course of business' and 'at arm's length' basis and hence do not fall under the ambit of Section 188(1) of the Act. In view of the above, the disclosure required under the Act in Form AOC-2 is not applicable for financial year 2018-19. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015. Your Board shall formulate a Policy to determine Material Subsidiary as and when considered appropriate in the future.

During the year under review, your Company did not enter into any Related Party Transactions (RPT's) which require prior approval of the Shareholders. All RPT's of your Company had prior approval of the Audit

Directors' Report

Committee and the Board of Directors, as required under the SEBI (LODR) Regulations, 2015, Subsequently, the Audit Committee and the Board have reviewed RPT's on a quarterly basis. Your Company has an internal mechanism for the purpose of identification and monitoring of RPT's.

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 the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/RELATED-PARTY-TRANSACTION-POLICY.pdf>.

There was no other material RPT's entered into by the Company with Promoters, Directors, KMP or other designated persons during financial year 2018-19, except those reported in the financial statements. Necessary disclosures required under the Ind AS 24 have been made in **Note No. 33** of the Notes to the financial statements for the year ended 31st March, 2019.

19.4 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.

19.5 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.

20. 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 record residual risk after taking specific risk mitigation steps. The Policy on Risk Management, as approved by the Board of Directors may be accessed on the Company's website at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/RISK-MANAGEMENT-POLICY.pdf>.

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

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Act and excluding activities undertaken in pursuance of its normal course of business. Your Company remains focused to improve the quality of life and engage with various communities through interventions in areas of health, education, sanitation, infrastructure development etc. Your Company aspires to create sustainability leadership in its production unit through focus on zero waste to landfill, use of renewable energy and rain water harvesting.

During the year under review, the Company spent ₹ 11.58 Lakhs on CSR activities on projects qualifying as per Section 135 of the Act, duly approved by the CSR Committee of the Company. Salient features of the CSR Policy and details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in '**Annexure – G**' forming part of this Report. The CSR Policy may be accessed on the Company's website at the link: <http://kicmetaliks.com/wp-content/uploads/2019/04/CSR-Policy-1.pdf>.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform the Members that the Audited Accounts containing the financial statements for the year 2018-19 are in conformity with the requirements of the provisions of Section 134(3)(c) read with Section



Directors' Report

134(5) and all other applicable provisions of the Companies Act, 2013 and they believe that, the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Based on the same, your Directors further confirm, according to the best of their knowledge and belief that :

- a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2019, 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 2018-19 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.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company had no employee during the financial year ended 31st March, 2019, 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.

- A. 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 2018-19 :

Sl. No.	Name of Directors/KMP and Designation	Remuneration for financial year 2018-19 (in Lakhs)	% increase in remuneration in the financial year 2018-19	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	Mr. Radhey Shyam Jalan DIN : 00578800 (Chairman and Managing Director)	60.00	37.78 %	33.37 x
2.	Mr. Suresh Kumar Singhal DIN : 00058501 (Non - Executive, Independent Director)	-	-	-
3.	Mr. Laxmi Narayan Sharma DIN : 00356855 (Non - Executive, Independent Director)	-	-	-

Directors' Report

Sl. No.	Name of Directors/KMP and Designation	Remuneration for financial year 2018-19 (in Lakhs)	% increase in remuneration in the financial year 2018-19	Ratio of remuneration of each Director/KMP to median remuneration of employees
4.	Mrs. Manjula Poddar* DIN : 08158445 (Non - Executive, Independent Director)	-	-	-
5.	Ms. Sayantony Banerjee** DIN : 06445255 (Non - Executive, Independent Director)	-	-	-
6.	Mr. Mukesh Bengani (Chief Financial Officer)	11.65	26.86 %	6.48 x
7.	Mrs. Ruchika Fogla (Company Secretary)	2.87	- 19.15 %	1.60 x

Notes :

* Mrs. Manjula Poddar appointed as an Independent Director of the Company w.e.f 23rd June, 2018.

** Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.

ii) The median remuneration of employees of the Company during the financial year 2018-19 was 1.80 Lakhs.

iii) In the financial year 2018-19, there was an increase of 30.43 % in the median remuneration of employees.

iv) There were 270 permanent employees on the rolls of Company as on 31st March, 2019.

v) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year under review i.e. 2018-19 was 14.19 % whereas the increase in the managerial remuneration for the same period was 32.40 %.

vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other Employees.

- B. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as '**Annexure – H**' to this Report.

24. MATERIAL ORDERS

There have been no significant and material orders passed by the court or regulators or tribunals impacting the going concern status and Company's operations. Your attention is drawn to the Contingent Liabilities and commitments shown in the Notes to financial statements forming part of this Annual Report.

25. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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.



Directors' Report

26. OTHER DISCLOSURES

The Company has proper and adequate systems and processes in place to ensure compliance with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

No disclosure or reporting is made in respect of the following items as there were no transactions or change during the year under review :

- Details relating to deposits covered under Chapter V of the Act;
- Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- Issue of Shares to the employees of the Company under any scheme (Sweat Equity or Stock Options);
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- There was no revision in the financial statements other than as required to be done as per Ind AS.

27. ACKNOWLEDGEMENT

Your Directors would like to place on record its appreciation for the committed services put in by the employees of the Company. Your Directors would also like to convey its sincere gratitude to the Members, bankers, regulatory bodies, clients and other business constituents for their continued co-operation and support received.

ANNEXURES TO THIS REPORT

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

Annexures	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	CEO/CFO Certification.
G	CSR Report.
H	Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board of Directors

Radhey Shyam Jalan

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019

'ANNEXURE - A'

to the Directors' Report

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, 2019.

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 it continues with its efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption. Some of the measures taken by the Company in this direction are as under :

- Transparent sheets introduced on the roof for natural illumination.
- Exiting capacitor bank for MBF rectified and innovated to get better results i.e. improvement of power factor.
- For better lubrication and to reduce friction loss, online oil filtration system introduced in Sinter Plant – main sinter machine.
- To get better efficiency with less power consumption, hammer mill introduced in place of impact crusher in Sinter Plant.
- RCC yard made for Met Coke storage due to which moisture in Met Coke will be reduced. Thus coke rate in production of hot metal will be reduced.
- LED lights introduced in place of sodium vapour lights resulting in power saving.

(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 :**

- The details of technology imported : Nil
- The year of import : N.A.
- Whether the technology been fully absorbed : N.A.
- 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	2018-19	2017-18
1.	Foreign Exchange earned in terms of Actual Inflows	Nil	Nil
2.	Foreign Exchange used in terms of Actual Outflows	11,076	10,244.56

For and on behalf of the Board of Directors

Radhey Shyam Jalan

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019

**'ANNEXURE - B'**

to the Directors' Report

CORPORATE GOVERNANCE REPORT**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

At a K I C the philosophy on Corporate Governance is based on an ethical and transparent governance practices. Good corporate governance is the key to enhance the long-term value of the Company for the benefit of all stakeholders. The pillars on which the edifice of corporate governance stands are fairness and accountability. Thus it becomes necessary for every organization to achieve high standards of corporate governance. We firmly believe that our governance mechanism protects and enhances the trust of Members, customers, suppliers, financiers, employees, government agencies and the society at large.

2. BOARD OF DIRECTORS**A. Composition of the Board as on 31st March, 2019 :**

Category	No. of Directors
Non Executive and Independent Directors	3
Executive Director	1

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. The composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015. The Board met six times during the year and the time gap between any two meetings did not exceed 120 days.

B. Board Meetings held during the financial year 2018-19 :

Sl. No.	Date of Meetings	Total No. of Directors	No. of Directors present
1	30th May, 2018	4	3
2	23rd June, 2018	4	4
3	27th July, 2018	4	3
4	6th October, 2018	4	4
5	5th November, 2018	4	3
6	8th February, 2019	4	4

C. The composition of the Board and the attendance of Directors at the Board Meetings held during the last fiscal 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 ¹		No. of other Committee membership held ²	
			As Director	As Chairman	As Member	As Chairman
Mr. Radhey Shyam Jalan DIN : 00578800 (Executive, Chairman and Managing Director)	6	Yes	Nil	Nil	Nil	Nil

'ANNEXURE - B'

to the Directors' Report

Name and Category of the Directors	Attendance at Board Meetings	Attendance at the last Annual General Meeting	No. of other Directorship held ¹		No. of other Committee membership held ²	
			As Director	As Chairman	As Member	As Chairman
Mr. Suresh Kumar Singhal DIN : 00058501 (Non-Executive, Independent Director)	4	Yes	Nil	Nil	Nil	Nil
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	5	No	5 ⁷	Nil	Nil	Nil
Ms. Sayantony Banerjee ³ DIN : 06445255 (Non-Executive, Independent Director)	-	Nil	Nil	Nil	Nil	Nil
Mrs. Manjula Poddar ⁴ DIN : 08158445 (Non-Executive, Independent Director)	5	Yes	Nil	Nil	Nil	Nil

Notes :

- 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 Regulation 26(1)(b) of the SEBI (LODR) Regulations, 2015.
- Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.
- Mrs. Manjula Poddar was appointed as an Independent Director of the Company w.e.f. 23rd June, 2018.
- None of the Directors have any inter-se relation among themselves and with any of the employees of the Company.
- None of the Non-Executive Directors holds any shares in the Company.
- The directorship held by Mr. Laxmi Naryan Sharma in listed entities is as below :

Name of the Listed Entities	Category
Global Capital Markets Limited	Independent Director
N. C. L. Research and Financial Services Limited	Independent Director
GCM securities Limited	Independent Director
GCM Capital Advisors Limited	Independent Director
GCM Commodity & Derivatives Limited	Independent Director

D. Other provisions as to Board and Committees

An annual calendar of meetings is established after consulting all Directors to facilitate their physical presence and meaningful participation. It has been the Company's endeavor to have meetings at plant site of the Company too, apart from the Registered Office of the Company to get Directors to witness the practices and to get under the skin of the Company's business model.



'ANNEXURE - B'

to the Directors' Report

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.

E. Independent Directors

Your Company has 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 Act. All Independent Directors maintain their limits of directorships as required under Regulation 25(1) of SEBI (LODR) Regulations, 2015. The terms and conditions of the appointment of the Independent Directors have also been disclosed on the website of the Company and can be accessed at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/NOMINATION-AND-REMUNERATION-POLICY.pdf>.

F. 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 as required under Regulation 25(3) of SEBI (LODR) Regulations, 2015. 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 management.

During the year under review, the Independent Directors met once on 6th October, 2018, 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.

G. Induction and 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 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.

'ANNEXURE - B'

to the Directors' Report

H. Skills, Expertise and Competencies of the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee, identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- Leadership experience in managing Companies and associations including general management.
- Industry experience including its entire value chain and indepth experience in corporate strategy and planning.
- Expertise in the field of science and technology given the Company's focus on research and innovation as well as knowledge in the field of Information Technology and digitalisation.
- Experience in finance, tax, risk management, legal, compliance and corporate governance.
- Experience in human resources and communication.
- Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values
- Having multiple geography and cross-cultural experience.

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company.

3. BOARD COMMITTEES

A. Audit Committee

- (a) The Company has an Audit Committee within the scope as set out in Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Act. The Committee has three Independent, Non-Executive Directors and one Executive Director, all of whom are persons with considerable financial experience and expertise. Mr. Suresh Kumar Singhal, Chairman of the Committee is an Independent Director and was present at the Annual General Meeting of the Company held 26th September, 2018. Mr. Suresh Kumar Singhal is a Mechanical Engineer with MBA with experience of around 15 years in the field of Project Management, Project Procurement, Contracting & Logistics. Experience in Oil & Petro-chemical industry and Steel industry.
- (b) 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 maintain the integrity and quality of the financial reporting. The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and Regulation 18 of SEBI (LODR) Regulations, 2015. The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of SEBI (LODR) Regulations, 2015.

The brief terms of reference of the Committee, inter alia, include the following :

- 1) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 2) Evaluation of internal financial controls and risk management systems
- 3) Monitoring the end use of funds raised through public offers and related matters.
- 4) Examination of the financial statement and the auditors' report thereon;.
- 5) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

**'ANNEXURE - B'**

to the Directors' Report

- 6) Review and monitor the auditor's independence and performance, and effectiveness of audit process
- 7) Scrutiny of inter-corporate loans and investments;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;

Audit Committee has powers prescribed under Regulation 18(3) of the SEBI (LODR) Regulations, 2015 and the role and scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation.

- (c) The Audit Committee met 4 (four) times during the financial year 2018-19 i.e. on 30th May, 2018; 27th July, 2018; 5th November, 2018 and 8th February, 2019 and not more than four months have elapsed between two meetings.
- (d) **The composition of the Audit Committee as on 31st March, 2019 and attendance at the meetings of the Committee during financial year 2018-19 is as under :**

Name and Category of the Directors	Position held	No. of Audit Committee Meetings	
		Held	Attended
Mr. Suresh Kumar Singhal # DIN : 00058501 (Non-Executive, Independent Director)	Chairman	4	3
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	Member	4	3
Mr. Radhey Shyam Jalan DIN : 00578800 (Executive, Chairman and Managing Director)	Member	4	4
Mrs. Manjula Poddar @ DIN : 08158445 (Non-Executive, Independent Director)	Member	3	3
Ms. Sayantony Banerjee * DIN : 06445255 (Non-Executive, Independent Director)	Member	-	-

Notes:

Ms. Sayantony Banerjee has resigned from the Company w.e.f 30th May, 2018 in place Mr. Suresh Kumar Singhal was appointed as the new Chairman of the Audit Committee w.e.f 30th May, 2018.

@ Mrs. Manjula Poddar was appointed as an Independent Director of the Company w.e.f 23rd June, 2018.

* Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.

- (e) The Chief Financial Officer and other senior functional executives of the Company are invited as and when required to provide necessary inputs to the Committee. The Internal Auditors and Statutory Auditors or their representatives are also 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 Act and Regulation 19 of SEBI (LODR) Regulations, 2015 and amendments there upon, the Board has constituted the Nomination & Remuneration Committee to oversee the Company's nomination process for the senior management and to decide the salary, perquisites and commission/performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the

'ANNEXURE - B'

to the Directors' Report

Group Policy, merit and Company's performance. The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors. All the members are Non-Executive, Independent Directors. The Nomination and Remuneration Committee met once during the financial year 2018-19 on 23rd June, 2018.

- b) **The composition of the Nomination and Remuneration Committee as on 31st March, 2019 and attendance at the meetings of the Committee during financial year 2018-19 is as under :**

Name and Category of the Director	Position held	No. of Nomination and Remuneration Committee Meetings	
		Held	Attended
Mr. Suresh Kumar Singhal DIN : 00058501 (Non-Executive, Independent Director)	Chairman	1	1
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	Member	1	1
Mrs. Manjula Poddar * DIN : 08158445 (Non-Executive, Independent Director)	Member	-	-
Ms. Sayantony Banerjee # DIN : 06445255 (Non-Executive, Independent Director)	Member	-	-

Note :

* Mrs. Manjula Poddar was appointed as a member of the Nomination and Remuneration Committee by the Board in their meeting held on 23rd June, 2018.

Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.

- c) **Terms of Reference :** The terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of Section 178 of the Act and Part D of Schedule II and Regulation 19 of SEBI (LODR) Regulations, 2015. 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.
 - Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- d) **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 can be accessed at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/NOMINATION-AND-REMUNERATION-POLICY.pdf>

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to the Directors' Report

- e) **The details of remuneration paid to the Executive and Non- Executive Directors during the financial year 2018-19, are as follows :**

i) **Executive Directors :**

Name and Category of the Director	Salary including Benefits/ Allowances, etc. (₹)	Period of Contract	
		From	To
Mr. Radhey Shyam Jalan DIN : 00578800 (Executive, Chairman and Managing Director)	60,00,000	4.11.2016	3.11.2019
Total	60,00,000		

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.

ii) **Non-Executive Directors :**

Name and Category of the Director	Sitting Fees (₹)	Commission (₹)	No. of shares held
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	25,000	Nil	Nil
Mr. Suresh Kumar Singhal DIN : 00058501 (Non-Executive, Independent Director)	20,000	Nil	Nil
Mrs. Manjula Poddar * DIN : 08158445 (Non-Executive, Independent Director)	20,000	Nil	Nil
Ms. Sayantony Banerjee # DIN : 06445255 (Non-Executive, Independent Director)	-	Nil	Nil

Note :

*Mrs. Manjula Poddar was appointed as an Independent Director of the Company w.e.f 23rd June, 2018.

#Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.

C. Stakeholders Relationship Committee

- a) Pursuant to provisions of Section 178(5) of the Act and Regulation 20 of the SEBI (LODR) Regulations, 2015 and amendments there upon the Board has constituted Stakeholder's Relationship Committee. This committee comprises of three Non-Executive Independent Directors.

This committee is specifically formed to look into the redressal of grievance of Members, 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 Annual Report, non-receipt of declared dividend, etc.

During the financial year 2018-19, the committee met 4 (Four) times on 30th May, 2018; 27th July, 2018; 5th November, 2018 and 8th February, 2019.

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to the Directors' Report

- b) **The composition of the Stakeholders Relationship Committee as on 31st March, 2019 and the attendance at the meetings of the Committee during the financial year 2018-19 is as under :**

Name and Category of the Director	Position held	No. of Stakeholder Relationship Committee Meetings	
		Held	Attended
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	Chairman	4	3
Mr. Suresh Kumar Singhal DIN : 00058501 (Non-Executive, Independent Director)	Member	4	3
Mrs. Manjula Poddar * DIN : 08158445 (Non-Executive, Independent Director)	Member	3	3
Ms. Sayantony Banerjee # DIN : 06445255 (Non-Executive, Independent Director)	Member	-	-

Note :

*Mrs. Manjula Poddar was appointed as an Independent Director of the Company w.e.f 23rd June, 2018.

#Ms. Sayantony Banerjee has resigned from the Directorship of the Company w.e.f 30th May, 2018.

- c) **Name, designation and address of Compliance Officer :**

Mrs. Ruchika Fogla
Company Secretary
K I C Metaliks Limited
"Sir RNM House" 3B, Lal Bazar Street,
4th Floor, Room No. 2, Kolkata – 700 001
West Bengal, India.
Phone : +91-33-2210-3301
Fax : +91-33-4001-9636
E-mail : companysecretary@kicmetaliks.com

- d) **Shareholder/Investor complaints received and redressed during financial year 2018-19 :**

Particulars	Nos.
Number of complaints pending as on 1st April, 2018	Nil
Number of complaints received during 1st April, 2018 to 31st March, 2019	8
Number of complaints disposed off during the year ended on 31st March, 2019	8
Number of complaints pending as on 31st March, 2019	Nil



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to the Directors' Report

D. Corporate Social Responsibility Committee

In terms of the requirement of Section 135(1) of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility 'CSR' Committee comprising of 3 (three) Non-Executives Directors. The Chairman of the Committee is an Independent Director.

The terms of reference and scope of work of the above said committee is same as prescribed in Section 135 of the Act and the Rules framed thereunder.

During the financial year 2018-19, the committee met 2 (Two) times on 27th July, 2018 and 5th November, 2018.

The composition of the Corporate Social Responsibility Committee as on 31st March, 2019 and the attendance at the meetings of the Committee during the financial year 2018-19 is as under :

Name and Category of the Director	Position held	No. of Corporate Social Responsibility Committee Meetings	
		Held	Attended
Mr. Laxmi Narayan Sharma DIN : 00356855 (Non-Executive, Independent Director)	Chairman	2	1
Mr. Suresh Kumar Singhal DIN : 00058501 (Non-Executive, Independent Director)	Member	2	1
Mrs. Manjula Poddar DIN : 08158445 (Non-Executive, Independent Director)	Member	2	2

4. OTHER DISCLOSURES

- a) Prior approval of the Audit Committee is obtained for all Related Party Transactions of the Company. During the financial year ended 31st March, 2019, the Company did not have any 'material' related party transaction that may have potential conflict with the interests of the Company at large.

The Board of Directors of the Company has adopted a Related Party Transactions Policy pursuant to the requirements of Section 188 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the SEBI (LODR) Regulations, 2015. The said Related Party Transactions Policy has been uploaded on the website of the Company at <http://kicmetaliks.com/wp-content/uploads/2016/01/RELATED-PARTY-TRANSACTION-POLICY.pdf>.

The Disclosure on Related Party Transactions forms integral part of the Notes to Financial Statements of the Company for the financial year ended 31st March, 2019 (**Note No. 33**) as included in this Annual Report.

- b) 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.
- c) Details regarding the establishment of Vigil Mechanism/Whistle Blower Policy have been disclosed in **Point No. 15** of the Directors' Report.
- d) The Company does not have any subsidiary.
- e) The Company has a well defined risk management framework in place. The procedures for risk assessment and minimisation have been disclosed in **Point No. 20** of the Directors' Report and **Point No. F** of Management Discussion and Analysis Report.

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to the Directors' Report

- f) The Company follows the applicable Accounting Standards as referred to in Section 133 of the Companies Act, 2013 and in the preparation of financial statements, the Company has not adopted a treatment different from that as prescribed in an Accounting Standard.
- g) The Company has complied with all mandatory requirements of the SEBI (LODR) Regulations, 2015, relating to Corporate Governance and also with Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the SEBI (LODR) Regulations, 2015, is as under :
- There are no modified opinions in the Audit Report given by M/s. B. N. Agrawal & Co., Statutory Auditors of the Company.
 - In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the Audit Reports and suggests necessary action, if required.

5. 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.	31st Annual General Meeting of the year 2017-18	26th September, 2018	10:00 a.m.	"Kala Kunj" 48, Shakesperare Sarani, Kolkata 700 017, West Bengal, India
2.	30th Annual General Meeting of the year 2016-17	21st September, 2017	10:00 a.m.	"Rotary Sadan" (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata 700 020, West Bengal, India
3.	29th Annual General Meeting of the year 2015-16	22nd September, 2016	10:00 a.m.	"Rotary Sadan" (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata 700 020, West Bengal, India

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

Member's Meeting	Business requiring Special Resolution
31st Annual General Meeting held on 26th September, 2018	Three Special resolution was proposed and approved : <ul style="list-style-type: none"> • Sub-Division of 1 Equity Share of the face value of ₹ 10/- per share into 5 Equity Shares of face value of ₹ 2/- per share • Alteration of the Capital Clause of the Memorandum of Association of the Company • Alteration/Adoption of new set of Article of Association of the Company as per Companies Act, 2013
30th Annual General Meeting held on 21st September, 2017	One Special resolution was proposed and approved : <ul style="list-style-type: none"> • Re-appointment of Mr. Radhey Shyam Jalan (DIN: 00578800) as the Managing Director of the Company and approval of the overall remuneration payable to him
29th Annual General Meeting held on 22nd September, 2016	Nil



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to the Directors' Report

c) Details regarding resolutions passed through Postal Ballot during financial year 2018-19 :

During the financial year 2018-19, 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 Members was held during the financial year 2018-19.

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 for Financial Year 2018-19 :		
	Date and Day	24th September, 2019 (Tuesday)
	Time	10:00 a.m.
	Venue	"Kala Kunj" 48, Shakesperare Sarani Kolkata 700 017, West Bengal, India
b) Financial Calendar (tentative and subject to change)		
	Financial reporting for the quarter ending 30th June, 2019	By end July, 2019
	Financial reporting for the quarter ending 30th September, 2019	By end October, 2019
	Financial reporting for the quarter ending 31st December, 2020	By end January, 2020
	Financial reporting for the year ending 31st March, 2020	By end May, 2020
c) Book Closure period		From 18 th September, 2019 to 24 th September, 2019 (both days inclusive)
d) Dividend Payment Date		The Directors have not recommended any dividend for the financial year 2018 - 2019
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 2018-19 The Company has paid the Listing Fees for the financial year 2018-2019 to BSE Limited. The Company has also paid custodian fees for the financial year 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited		ISIN No. : INE 434C01027 Depository Connectivity : NSDL and CDSL

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to the Directors' Report

g) Market Price Data :

High/low (based on the closing prices) and number of shares of the Company traded during each month in the financial year 2018-19 on BSE Limited

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of shares	BSE Sensex Close
April, 2018	190.00	149.00	173.50	5,28,004	35,160.36
May, 2018	250.00	167.80	249.25	77,835	35,322.38
June, 2018	276.00	224.90	250.00	1,42,545	35,423.48
July, 2018	254.75	225.85	243.40	19,419	37,606.58
August, 2018	422.85	248.25	397.05	1,23,577	38,645.07
September, 2018	414.85	352.00	390.00	41,972	36,227.14
October, 2018	440.00	301.50	400.15	43,172	34,442.05
November, 2018	419.00	81.20	101.20	1,98,470	36,194.3
December, 2018	127.40	88.30	110.70	2,17,926	36,068.33
January, 2019	118.00	85.30	97.90	1,66,449	36,256.69
February, 2019	101.00	83.30	90.00	49,290	35,867.44
March, 2019	115.55	85.05	93.00	1,05,590	38,672.91

Note :

During the financial year 2018-19, 1 Equity Share of the face value of ₹ 10/- per share has been sub-divided into 5 Equity Shares of face value of ₹ 2/- per share w.e.f 5th November, 2018.

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 share price v/s BSE Sensex	
	K I C Metaliks Ltd. Share Price	BSE Sensex
On 1st April , 2018 (open)	149.00 (face value ₹ 10/- per share)	33,030.87
On 31st March, 2019 (close)	93.00 (face value ₹ 2/- per share)	38,672.91
% change	Refer Note 1	(+) 17.08

Note :

- The percentage change in share price calculation is irrelevant due to the fact that during the financial year 2018-19 1 Equity Share of the face value of ₹ 10/- per share has been Sub-Divided into 5 Equity Shares of face value of ₹ 2/- per share w.e.f 5th November, 2018 and thus the opening and closing share prices are given on different face values per share.

i) Registrar and Transfer Agent

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agent – M/s. S. K. Infosolutions Pvt. Ltd. quoting their Folio No./DP ID and Client ID at the following address :

S. K. Infosolutions Pvt. Ltd.

34/1A, Sudhir Chatterjee Street,
Kolkata – 700 006, West Bengal, India
Phone : +91-33-2219-6797, Tele fax : +91-33-2219-4815
E-mail : contact@skcinfo.com / skcdilip@gmail.com
Website : www.skcinfo.com

Members holding shares in electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

**'ANNEXURE - B'**

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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 to approve transfers. They address all the requests fortnightly.

k) Distribution of shareholding as on 31st March, 2019 :

Range or Equity Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1423	71.76	3,36,617	0.95
501 - 1000	226	11.40	2,08,462	0.59
1001 - 2000	117	5.90	1,85,521	0.52
2001 - 3000	82	4.14	2,10,127	0.59
3001 - 4000	24	1.21	90,389	0.25
4001 - 5000	26	1.31	1,23,901	0.35
5001 - 10000	34	1.71	2,50,416	0.71
10001 - 50000	31	1.56	7,31,055	2.06
50001 - 100000	2	0.10	1,25,000	0.35
100001 and Above	18	0.91	3,32,34,512	93.63
Total	1,983	100.00	3,54,96,000	100.00

l) Category wise Shareholding as on 31st March, 2019 :

Category of Members	No. of Holders	% of Holders	No. of Shares Held	% of Shares held
Promoters Holding	1	0.05	2,06,85,480	58.28
Non-Promoters Holding				
- Financial Institutions	-	-	-	-
- Bodies Corporate	84	4.24	1,22,12,156	34.40
- NRI and Foreign Company	30	1.51	79,179	0.22
Indian Public	1,868	94.20	25,19,185	7.10
Total	1,983	100.00	3,54,96,000	100.00

m) Dematerialisation of shares and liquidity as on 31st March, 2019 :

Particulars of Shares	Equity Shares of ₹ 2/- each	
	Number of Shares	% of Total No. of Shares
A. Dematerialised Form		
a) NSDL	2,89,75,682	81.63
b) CDSL	60,59,048	17.07
Sub Total	3,50,34,730	98.70
B. Physical Form	4,61,270	1.30
Total (A+B)	3,54,96,000	100.00

'ANNEXURE - B'

to the Directors' Report

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, India
Phone: +91-98749 43342 |
| p) Address for Correspondence | Registered Office :
"Sir RNM House", 3B, Lal Bazar Street,
4th Floor, Room No.2, Kolkata - 700 001
West Bengal, India
Phone : +91-33-2210-3301
Fax : +91-33-4001-9636
Email : info@kicmetaliks.com |

q) Green Initiative for paperless Communication :

Going Green begins at home is the Company's Mantra in all aspects of its operations. 24 trees are felled for every 1 ton of paper printed which is required for printing our Annual Report. Acutely aware of this shocking truth and for maintaining the planet Earth evergreen, the Ministry of Corporate Affairs 'MCA' has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies. Through its Circulars No. 17/2011 dated 21st March, 2011 and No. 18/2011 dated 29th April, 2011, MCA has provided that the service of notice / documents by a Company to its Members can now be made through electronic mode. In accordance with these circulars, Companies can now send various notices and documents including Annual Report to its Members through electronic mode to the registered e-mail addresses of Members. We seek whole hearted support for this noble initiative in preserving our forests. We would request Members to register their e-mail addresses to get Annual Reports and other communications through e-mail instead of paper mode. In respect of electronic holdings, Members are kindly requested to register their e-mail addresses with the Depository Participant. Members who hold shares in physical form are requested to fill in the registration form which can be obtained from S. K. Infosolutions Pvt. Ltd. or downloaded from the Company website www.kicmetaliks.com under the Section 'Investors' and register the same with Company's RTA.

r) Credit Rating :

CARE Rating has given the credit rating of CARE BBB/ Positive for long term and CARE A3+ for short term financial instruments of the Company.

8. CORPORATE ETHICS

The Company adheres to the highest standard of business ethics, compliances with statutory and legal requirements and commitment to transparency in business and the following has been adopted by the Company to maintain its ethical standards :

a) Code of Conduct 'Code' for Board and Senior Management

Your Company has adopted a Code of Conduct i.e. the 'KICML-Code of Conduct' for the Board of the Directors, Key Managerial Personnel (KMP) and the Senior Management Personnel in terms of Regulation 17(5) of SEBI



'ANNEXURE - B'

to the Directors' Report

(LODR) Regulations, 2015. 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 Regulation 26(3) of SEBI (LODR) Regulations, 2015, the Managing Director of the Company confirmed compliance with the Code by all members of the Board, KMP and the Senior Management Personnel.

The full text of the Code is hosted on the Company's website and can be accessed at the web link <http://kicmetaliks.com/about-k-i-c-metaliks/code-of-conduct/>.

b) Code of Conduct for Prohibition of Insider Trading

Your Company has adopted a Code of Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. 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.

c) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary had carried out the Share Capital audit to reconcile the total admitted Equity Share Capital with NSDL and CDSL and the total issued and listed Equity Share Capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

'ANNEXURE - B'

to the Directors' Report

DECLARATION

As provided under Part D of Schedule V of SEBI (LODR) Regulations, 2015, 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, 2019.

For **K I C METALIKS LIMITED****Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019

PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from its Practicing Company Secretary testifying to its compliance with the provisions relating to SEBI (LODR) Regulations, 2015. This certificate is annexed to the Corporate Governance Report for the year 2018-19 and will be sent to the Stock Exchanges, along with the Annual Report to be filed by the Company.

For **K I C METALIKS LIMITED****Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019

CERTIFICATE BY PRACTISING COMPANY SECRETARY ON DISQUALIFICATION OF INDEPENDENT DIRECTORS

To,

The Members of **K I C Metaliks Limited**

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

For **Rakesh Agrawal & Co.***Practising Company Secretaries***Rakesh Agrawal**

FCS No. - 8792

CP No. - 9014

Place : Kolkata

Dated : The 20th day of May, 2019



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to the Directors' Report

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of **K I C Metaliks Limited**

We have examined the compliance of conditions of Corporate Governance by K I C Metaliks Limited ('the Company') for the year ended 31st March, 2019 as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 'SEBI (LODR) Regulations, 2015'.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015.

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

Place : Kolkata

Dated : The 20th day of May, 2019

Deepika Sureka

Membership No. - A24676

CP No. - 12648

'ANNEXURE - C'

to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. ECONOMIC OVERVIEW- GLOBAL AND INDIAN

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. The world economy grew by 3 % in 2018 according to International Monetary Fund (IMF). International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2 % this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity. (Source : Global Economic Prospects 2019-World Bank).

India's GDP growth during the fiscal 2018-19 is expected at 6.9 %, marginally lower than CSO's advance estimate of 7 %. (Source : Credit Rating Agencies). It further said that although little can be done with regard to the global trade environment, certainly a more proactive policy intervention could be pursued to aggressively revive investment. While cyclical challenges can be addressed through short-term measures, the need of the hour is to address the structural challenges plaguing the Indian economy. The Narendra Modi led BJP government came back to power over a decisive mandate for a second time in the just concluded 2019 General Elections that has left investors wanting some decisive structural reforms. Immediate priorities of the government should be focused on agricultural sector especially improving farm terms of trade, supporting systemic credit growth not just for banking sector but for the Non-Banking Financial Company (NBFC) sector as well. Growth rates are expected to stay weak but a combination of strong government policy support and benign monetary policy environment should lead to recovery in growth prospects towards the second half of this fiscal year. (Source : ICICI Bank research report).

B. IRON & STEEL - INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company K I C Metaliks Limited is one of the leading producers of pig iron in eastern India. Pig Iron is an intermediate product use to manufacture finished steel. Hence your Company belongs to the Pig Iron industry and the Steel industry at large. Pig Iron is consumed mainly by the Iron Foundry industry which serves as a backbone of construction and manufacturing sector producing different varieties of cast iron products which are used in the manufacture of a number of machinery including automobiles under the Capital Goods industry.

In 2018, global steel demand increased by 2.1 % (after adjusting for China induction furnace closures) growing slightly slower than in 2017. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

Infrastructure and construction account for a majority of steel demand in India. Steel was doing rather badly a couple of years ago. But India's steel consumption is growing at an impressive rate of 7 - 8 % of late, and one of the major drivers has been a pick-up in construction activities. The country has become the second largest steel producer in the world with production of 106.5 millions tons, overtaking Japan, with a growth rate of 4.9 % on YoY in 2018. The growth in steel production is supported by fast-growing steel demand. According to World Steel Association, it is likely that India will also pip the United States to become second in steel use by the end of 2019 as its steel demand is expected to clock 102.3 million tons, a growth of around 7.5 % YoY. Since Pig Iron is an intermediary product and used for further processing to produce steel, performance of the steel industry has a direct bearing on the demand for Pig iron.

Pig Iron is a commodity and the value addition over raw materials is low. Therefore, prices of key raw materials, viz., coking coal, coke and iron ore, impact the prices of pig iron. During the year 2018-19 domestic prices of iron ore were relatively stable but since high grade iron ore carries an export duty of 30 %, availability and procurement of the same



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is a concern for small pig iron producers and thus can have an adverse impact on the input cost. Met coke prices are already marching southwards since October 2018 and the softening is continuing in the current year 2018-19 which helped your Company to partially offset the adverse impact of low pig iron prices in the market. Exports of pig iron remained low during the last fiscal but are expected to pick up soon domestically in tune with the domestic demand for steel.

Apart from this, both domestic as well as global demand of pig iron has a direct correlation with its prices. Demand of pig iron depends not only on the performance of the user industries, i.e., castings and steel making, but also on the availability of scrap in the domestic and global markets. Demand for pig iron is expected to remain stable rather subdued due to global uncertainties but your Company is positive about the current fiscal on account of the upcoming projects.

C. OPPORTUNITIES

The foundry/casting Industry is the key component supplier for automotive, tractors, pump valves, compressors, railways, power equipment, industrial machinery, etc. With anticipated improvement in automobile and farm equipment sectors, pipes and fittings, and construction industry, demand of pig iron is expected to grow by a CAGR of about 5 % during the next four years, as projected by market research agencies in the country. The government has chalked out mega programmes for road construction under Bharatmala, for the port and shipping sector capacity augmentation through Sagarmala and there are significant railways reforms under way through the construction and augmentation of new and existing tracks, Housing for All by 2022 as well as schemes such as Pradhan Mantri Awas Yojna, Saansad Adarsh Gram Yojna etc. These mega schemes will provide a huge opportunity for use of Steel intensive structures and designs and usage of pre-fabricated and precast steel structures which in turn will fuel demand for pig iron too.

During financial year 2018-19, full availability of the blast furnaces helped higher production and sales of pig iron in our focused markets. Raw material cost challenges were judiciously managed to optimise overall margins. During the year, the Company worked on consolidation of sales in strategic markets which gives high realisation and restricting sales in some of the low realisation areas. Value-added customised grades of pig iron with higher contribution were produced and marketed which reduced pressure on foundry grade volumes and prices. Efforts were also made to increase sale in eastern India market by adding new channel partners as well as direct customers. At the same time, sale to key long-term direct customers manufacturing castings, steel etc. was also increased during the year. Simultaneously, your Company is also working on increasing its top line and market share through capacity expansion of the existing MBF.

D. THREATS

The global steel industry is currently faced with some key challenges in raw materials procurement and processing operations like price volatility, supply-chain vulnerability and logistic hurdles such as non availability of railway racks, port congestion, etc., combined with deterioration of raw materials quality. Currently, the Domestic Steel Industry is performing well but during the year under review domestic steel prices are likely to soften following global cues which would heap pressure on margins of steel makers who lack captive iron ore supply-especially long steel players-impacting their gross spreads by 2-4 %. Pig Iron being an intermediate product and of commodity nature shows a volatile price trend that reflects temporary shortage or surplus conditions in the markets which in turn affects the sales and thus your Company's top line and bottom line. Further, Domestic Pig Iron prices can also be adversely impacted in the current year due to the anticipated slowdown in the domestic economic growth which is also a potential threat.

E. OPERATIONAL AND FINANCIAL PERFORMANCE

Your Company operates in a single segment i.e. 'Iron and Steel and allied products' and the plant is located at District Raturia, Angadpur, Durgapur, West Bengal.

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Our strong performance continued in the financial year 2018-19 and the Company reported its highest ever revenue and profits during the year. Revenue from operations was the highest ever at ₹ 84,884.20 Lakhs, up 47.48 % YoY. This enabled the Company to achieve an operating EBITDA of ₹ 6,140.83 Lakhs in 2018-19 compared to ₹ 3,443.27 Lakhs in the previous year. Net profit improved by 187.72 % YoY at ₹ 3,173.82 Lakhs as compared to ₹ 1103.09 Lakhs in the financial year 2017-18 with a Basic EPS of ₹ 8.94 as compared to ₹ 3.11 in the financial year 2017-18.

The Company has generated strong operating cash flow which enabled reduction of debt and is expected to deliver better results going forward. Our focus is to strengthen the Balance Sheet, invest in strategic opportunities without increasing debt levels and build strong pipeline of products.

Key Financial ratios

Ratios	2018-19	2017-18	Change
Debtors Turnover	22.28	19.49	14.32 %
Inventory Turnover	10.18	9.36	8.76 %
Interest Coverage ratio	7.51	4.29	75.06 %
Current Ratio	1.00	1.01	(-) 0.99 %
Debt Equity Ratio	2.66	3.17	(-) 16.09 %
Operating Profit Margin (%)	6.33 %	4.56 %	38.82 %
Net Profit Margin (%)	3.74 %	1.92 %	94.79 %
Return in Net Worth (%)	31.13%	15.70 %	98.28 %

Note :

- Change in interest coverage ratio is due to significant improvement in the operating profit of the Company.
- Change in Operating Profit Margin, Net profit margin and Return on Net Worth are higher mainly on account of higher realisations during the year under review.

F. RISKS AND CONCERNS

The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

G. OUTLOOK

Global growth is projected to moderate further to 2.9 % in 2019, reflecting concerns over potential escalation of trade tensions between US and China, unwinding of fiscal stimulus in US, weakening financial market sentiment, uncertainty about BREXIT outcome and possible slowdown in Chinese economy. The Steel Industry remains at the heart of global development. In 2019 and 2020 global steel demand was expected to continue to grow, but growth rates would moderate in tandem with a slowing global economy. (Source : Worldsteel - Short Range Outlook) India is also projected to remain robust and grow at a rate of 6.9 % in 2019, benefitting from lower oil prices, sustained growth in private consumption and favourable monetary policy. Risk to forecast includes performance of the newly elected government, monsoons and slowdown in the global economy.

The Steel Industry is the end user of K I C's products. Hence, the business is highly dependent on the fortunes of the Steel Industry. The global overcapacity led to a fall in steel prices during 2014-18, while cheap import and



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lack of demand drives within the country kept the domestic steel prices low. But since second half of 2018 strong demand growth in domestic markets have led to increase in steel prices and focus of the government on infrastructure development and efforts taken to restart the stalled projects auger well for steel industry. The increase in proposed budget outlay for various government projects relating to construction and infrastructure are expected to generate demand for Steel Industry and which in turn will generate demand for pig iron too.

H. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

In any industry, the processes and internal control systems play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these systems in line with the best available practices. The Company's internal control system is commensurate with the nature of its business and the size and complexity of operations. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board of Directors reviews internal audit reports given along with management comments. The Audit Committee also monitors the implemented suggestions.

I. INDUSTRIAL RELATIONS AND HUMAN RESOURCES

The Company considers its human resource as the most valuable ingredient for the functioning of the Company and utmost endeavor is made to maintain good relations with the employees at all levels. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. Your Company has maintained healthy and cordial industrial relations, and its workforce has been an equal partner in implementing Company's policies and achieving stretched operational targets, YoY. Its employee strength as on 31st March, 2019 was 270.

For and on behalf of the Board of Directors

Radhey Shyam Jalan

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019

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FORM NO. MGT - 9**EXTRACT OF ANNUAL RETURN**

for the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS

1.	CIN	L01409WB1986PLC041169
2.	Registration Date	26th August, 1986
3.	Name of the Company	K I C Metaliks Limited
4.	Category/Sub-Category of the Company	Public Company/Limited by shares
5.	Address of the Registered Office and contact details	<p>"Sir RNM House", 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata - 700 001, West Bengal, India</p> <p>Phone : +91-33-2210-3301</p> <p>Fax : +91-33-4001-9636</p> <p>E-mail : info@kicmetaliks.com</p> <p>Website : www.kicmetaliks.com</p>
6.	Whether listed Company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>M/s. S. K. Infosolutions Pvt. Ltd.</p> <p>34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, West Bengal, India</p> <p>Phone : +91-33-2219-4815/6797</p> <p>Fax : +91-33-2219-4815</p> <p>E-mail : skcdilip@gmail.com</p> <p>Website : www.skcinfo.com</p>

B. 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 product	NIC Code of the product	% to total turnover of the Company
1.	Iron and Steel	24101	63.96 %
2.	Coke and Coal	19101	33.54 %

C. 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, 3 rd Floor, Room No. 302, Kolkata – 700 071 West Bengal, India	U51109WB1993PTC061138	Holding	58.28	2(46)



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D. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity)

*(i) Category-wise Share Holding :

Category of Members	No. of shares held at the beginning of the year i.e. 1st April, 2018				No. of shares held at the end of the year i.e. 31st March, 2019				% 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	2,06,85,480	0	2,06,85,480	58.28	2,06,85,480	0	2,06,85,480	58.28	0
Banks/FI	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Sub-total A(1)	2,06,85,480	0	2,06,85,480	58.28	2,06,85,480	0	2,06,85,480	58.28	0
2. Foreign									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Other- Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total A(2)	-	-	-	-	-	-	-	-	-
Total A= A(1)+A(2)	2,06,85,480	0	2,06,85,480	58.28	2,06,85,480	0	2,06,85,480	58.28	0
B. Public Shareholding									
1. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Central Government(s)	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total B(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
Bodies Corporate									
i. Indian	1,20,18,900	18,000	1,20,36,900	33.91	1,21,94,156	18,000	1,22,12,156	34.40	0.49
ii. Overseas	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
Individuals									
i. Individual holding nominal share capital upto ₹ 1 Lakh	15,26,035	4,92,295	20,18,330	5.69	13,97,260	4,42,270	18,39,530	5.18	(0.50)
ii. Individual holding nominal share capital in excess of ₹ 1 Lakh	6,62,925	0	6,62,925	1.87	6,79,655	0	6,79,655	1.91	0.05
Others (specify)									
NRI's	91,365	0	91,365	0.26	78,179	0	78,179	0.22	(0.04)

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Category of Members	No. of shares held at the beginning of the year i.e. 1st April, 2018				No. of shares held at the end of the year i.e. 31st March, 2019				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Sub-total B(2)	1,42,99,225	5,11,295	1,48,10,520	41.72	1,43,49,250	4,61,270	1,48,10,520	41.72	0
Total B=B(1)+ B(2)	1,42,99,225	5,11,295	1,48,10,520	41.72	1,43,49,250	4,61,270	1,48,10,520	41.72	0
C. Shares held by Custodian for									
GDR's	-	-	-	-	-	-	-	-	-
ADR's	-	-	-	-	-	-	-	-	-
Grand Total A+B+C	3,49,84,705	5,11,295	3,54,96,000	100	3,50,34,730	4,61,270	3,54,96,000	100	Nil

***(ii) Shareholding of Promoters :**

Sl. No.	Member's Name	Shareholding at the beginning of the year i.e. 1st April, 2018			Shareholding at the end of the year i.e. 31st March, 2019			% change in share holding 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.	2,06,85,480	58.28	20.00	2,06,85,480	58.28	20.00	0
	Total	2,06,85,480	58.28	20.00	2,06,85,480	58.28	20.00	0

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

Sl. No.	Name of the Holder	Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative shareholding during the year i.e. 31st March, 2019	
		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	2,06,85,480	58.28	2,06,85,480	58.28
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year			2,06,85,480	58.28



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to the Directors' Report

*(iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and holders of GDR's & ADR's) :

Sl. No.	For each of the Top 10 Members	Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative shareholding during the year i.e. 31st March, 2019	
		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	30,00,000	8.45	30,00,000	8.45
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year			30,00,000	8.45
2.	Maryada Barter Pvt. Ltd.				
	At the beginning of the year	16,48,566	4.64	16,48,566	4.64
	Date wise increase/decrease in shareholding during the year				
	At the end of the year		-	16,48,566	4.64
3.	Lily Abasan Pvt. Ltd.				
	At the beginning of the year	12,50,000	3.52	12,50,000	3.52
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	17th August, 2018 (Sale)	-	-	(-) 4,00,000	1.13
	At the end of the year			8,50,000	2.39
4.	Prayash Securities Pvt. Ltd				
	At the beginning of the year	12,50,000	3.52	12,50,000	3.52
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year			12,50,000	3.52
5.	Pujam Sales & Services Pvt. Ltd.				
	At the beginning of the year	12,47,500	3.52	12,47,500	3.52
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year			12,47,500	3.52
6.	Saidham Mercantile Pvt. Ltd.				
	At the beginning of the year	8,21,480	2.39	8,21,480	2.39
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	At the end of the year			8,21,480	2.31
7.	Pilot Consultants Pvt. Ltd.				
	At the beginning of the year	7,75,000	2.18	7,75,000	2.18
	Date wise increase/decrease in shareholding during the year				
	29th March, 2019 (Sale)	-	-	(-) 7,75,000	2.18
	At the end of the year			0	0.00
8.	Aay Jay Consultants and Investments Pvt. Ltd.				
	At the beginning of the year	3,80,295	1.07	3,80,295	1.07
	Date wise increase/decrease in shareholding during the year				
	6th April, 2018 (Sale)	-	-	(-) 2,12,500	0.60
	13th April, 2018 (Sale)	-	-	(-) 60,000	0.17
	20th April, 2018 (Sale)	-	-	(-) 12,500	0.04
	27th April, 2018 (Sale)	-	-	(-) 24,585	0.07
	4th May, 2018 (Sale)	-	-	(-) 42,500	0.12
	11th May, 2018 (Sale)	-	-	(-) 28,210	0.07
	At the end of the year			0	0.00

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Sl. No.	For each of the Top 10 Members	Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative shareholding during the year i.e. 31st March, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	G.P. Lefin Pvt. Ltd.				
	At the beginning of the year	1,83,340	0.52	1,83,340	0.52
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	13th April, 2018 (Sale)	-	-	(-) 47,500	0.14
	4th May, 2018 (Sale)	-	-	(-) 15,000	0.04
	11th May, 2018 (Sale)	-	-	(-) 1,20,840	0.34
	At the end of the year			0	0
10.	Bhiksu Barter Pvt. Ltd.				
	At the beginning of the year	3,16,500	0.89	3,16,500	0.89
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	6th April, 2018 (Sale)	-	-	(-) 3,15,505	0.89
	13th April, 2018 (Sale)	-	-	(-) 995	0.00
	At the end of the year			0	0.00
11.	Vivek Tracom Pvt. Ltd.				
	At the beginning of the year	2,27,920	0.64	2,27,920	0.64
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	6th April, 2018 (Sale)	-	-	(-) 2,27,920	0.06
	At the end of the year			0	0.00
12.	ICM Finance Pvt. Ltd.				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	29th June, 2018 (Purchase)	-	-	(+) 7,500	0.02
	29th March, 2019 (Purchase)	-	-	(+) 7,75,000	2.18
	At the end of the year			7,82,500	2.20
13.	Gita Kirti Ambani				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	29th June, 2018 (Purchase)	-	-	(+) 4,52,145	1.27
	29th March, 2019 (Purchase)	-	-	(+) 1,02,510	0.29
	At the end of the year			5,54,655	1.56

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to the Directors' Report

***(v) Shareholding of Directors and KMP :**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year i.e. 1st April, 2018		Cumulative shareholding during the year i.e. 31st March, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Radhey Shyam Jalan (Chairman and Managing Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00
2.	Mr. Suresh Kumar Singhal (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00
3.	Mr. Laxmi Narayan Sharma (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00
4.	Mrs. Manjula Poddar (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00
5.	Mr. Mukesh Bengani (Chief Financial Officer)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00
6.	Mrs. Ruchika Fogla (Company Secretary)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	–	–	–	–
	At the end of the year			0	0.00

Note :

Point *D (i) to (v)

- Due to the Stock Split/Sub-Division of the Equity Shares of the Company from face value of ₹ 10/- each to ₹ 2/- each as approved by the shareholders through 31st Annual General Meeting during the financial year 2018-19 the shareholding at the beginning of the year i.e. 1st April, 2018 and upto one day prior to the record dated 5th November, 2018 has been re-classified accordingly at face value of ₹ 2/- each in order to have a comparable shareholding in respect to the shareholding at the end of the year ended 31st March, 2019.
- % of total Shares of the Company is based on the paid up Equity Share Capital of the Company at the end of the year i.e. 3,54,96,000 Equity Shares having face value of ₹ 2/- each.

'ANNEXURE - D'

to the Directors' Report

E. 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	1,890.40	2,655.00	-	4,545.40
(ii) Interest due but not paid	-	97.41	-	97.41
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1,890.40	2,752.41	-	4,642.81
Change in Indebtedness during the financial year	-	-	-	-
• Addition	114.04	4,704.62	-	4,818.66
• Reduction	-	3371.59	-	3371.59
Net Change	114.04	1,333.03	-	1,447.07
Indebtedness at the end of the financial year				
(i) Principal Amount	2,004.44	4,085.00	-	6,089.44
(ii) Interest due but not paid	-	0.44	-	0.44
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	2,004.44	4,085.44	-	6,089.88

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**i. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager Mr. Radhey Shyam Jalan	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	60.00	60.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	(a) As % of profit	-	-
	(b) Others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	60.00	60.00
	Overall Ceiling as per the Act	₹ 84.00 Lakhs (Calculated as per Section II of Part II of Schedule V of the Act)	

**'ANNEXURE - D'**

to the Directors' Report

ii. Remuneration to other Directors :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Ms. Manjula Poddar	Mr. Suresh Kumar Singhal	Mr. Laxmi Narayan Sharma	Ms. Sayantony Banerjee	
1.	Independent Directors	-	-	-	-	-
	(a) Fee for attending Board/Committee meetings	0.20	0.20	0.25	0.00	0.65
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	0.20	0.20	0.25	0.00	0.65
2.	Other Non-Executive Directors	-	-	-	-	-
	(a) Fee for attending Board/Committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.20	0.20	0.25	0.00	0.65
	Total Managerial Remuneration	0.20	0.20	0.25	0.00	0.65
	Overall Ceiling as per the Act	1% of the net profit of the Company calculated as per Section 198 of the Act.				

iii. Remuneration to KMP, other than MD/Manager/WTD :

(₹ 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	11.65	2.87	14.52
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	(a) As % of profit	-	-	-
	(b) Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	11.65	2.87	14.52

'ANNEXURE - D'

to the Directors' Report

G. PENALTY / PUNISHMENT / COMPOUNDING OF OFFENCES

Type/Name	Under Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any
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					
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.

For and on behalf of the Board of Directors

Radhey Shyam Jalan

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : The 28th day of May, 2019



'ANNEXURE - E'

to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2019

[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

West Bengal, India

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**') having registered office at "Sir RNM House, 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata – 700 001, West Bengal, India. 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.

1. 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, 2019 generally 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 :
2. 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, 2019 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 : Disclosures are filed by the Company whenever required.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

'ANNEXURE - E'

to the Directors' Report

- (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 (Share Based Employee Benefits) Regulations, 2014. (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)* no such transaction undertaken by the Company during the audit period which require compliance under the act.

- (vi) Any other laws as may be applicable specifically to the Company: As per the representation made by the Company, its officers and representatives, there is no such act applicable specifically to the Company.

3. I have also examined compliance with the applicable Clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. To the best of my understanding, I am of the view that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

5. **I further report that :**

- i. 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, Factories Act, 1948, Industrial Disputes Act, 1947, the Payment of Wages Act, 1936 and Environmental laws.
- ii. 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.

6. **I further report that :**

- i. 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.
- ii. Corporate Social Responsibility committee has been formed during the year as per the provisions of the Act.
- iii. 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.



'ANNEXURE - E'

to the Directors' Report

- iv. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
7. **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.
8. **I further report that** as per the information provided by the Company, 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 apart from the following:
 - (i) During the financial year under review, each Equity Share of the Company of the face value of ₹ 10/- per share was sub-divided into 5 Equity Shares of face value of ₹ 2/- per share.
9. 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

Prop: Rakesh Agrawal

FCS No. 8792

C P No. 9014

Place : Kolkata

Date : 20th May, 2019

'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
West Bengal, India

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

Prop: Rakesh Agrawal

FCS No. 8792

C P No. 9014

Place : Kolkata
Date : 20th May, 2019



'ANNEXURE - F'

to the Directors' Report

CEO/CFO CERTIFICATE

Under Regulation 17(8) of SEBI (LODR) Regulations, 2015

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, (DIN : 00578800) 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 2018-19 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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 :
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) 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 28th day of May, 2019

Radhe Shyam Jalan (DIN : 00578800)
Chairman and Managing Director

Mukesh Bengani
Chief Financial Officer

'ANNEXURE - G'

to the Directors' Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company's CSR Policy includes activities which are in line with Schedule VII of the Companies Act, 2013. The Company has taken up or shall take activities mentioned in its policy as and when fruitful opportunity exists.</p> <p>The Board of Directors of the Company has approved the CSR Policy as recommended by the Committee and the same has been uploaded on the Company's website at http://kicmetaliks.com/wp-content/uploads/2019/04/CSR-Policy-1.pdf</p>
2.	The Composition of the CSR Committee	<ul style="list-style-type: none"> • Mr. Laxmi Narayan Sharma (Chairman) • Mr. Suresh Kumar Singhal (Member) • Mrs. Manjula Poddar (Member)
3.	Average net profit of the Company for last three financial years	₹ 908.40 lakhs
4.	Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above)	₹ 18.17 Lakhs
5.	Details of CSR spent during the financial year: (a) Total amount to be spent for the financial year. (b) Amount spent (c) Amount unspent, if any; (d) Manner in which the amount spent during the financial year;	<p>₹ 18.17 Lakhs</p> <p>₹ 11.58 Lakhs</p> <p>₹ 6.59 Lakhs</p> <p>'Annexure A' to the CSR Report</p>
6.	In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Due to absence of viable opportunities in the previous financial year, the unspent amount will be spent in the coming financial year.
7.	The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.	

For and on behalf of the Board of Directors

Laxmi Narayan Sharma

DIN : 00356855

Chairman of CSR Committee

Place : Kolkata
Dated : The 28th day of May, 2019



'ANNEXURE - G'

to the Directors' Report

'ANNEXURE – A' to the CSR Report

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Promoting Education among Children	Promoting Education	Howrah / Kolkata, West Bengal	20 Lakhs	10.12	10.12	Implementing Agencies : • Aashayein* • Friends of Tribal Society#
2.	Promoting Education and safe Drinking water	Education and safe Drinking water	Local Area : Durgapur, West Bengal	5 Lakhs	1.46	11.58	Direct

Notes:

Details of Implementing Agencies

* Aashayein, registered as a non-profit organization under the West Bengal Societies Registration Act, 1961, is an independent NGO that focuses on undertaking social development activities for uplifting the underprivileged sections of the society. Conceptualized by a group of professional youths coming in from diverse fields of society with a shared vision, this organization came into existence on 26th August, 2011.

The Friends of Tribals Society (FTS) is a non-government and non-profit education organization working for upliftment of Tribals areas in the field of education, health and other welfare activities of Tribals. The philosophy of this organization is to take a holistic approach to social and economic development.

For and on behalf of the Board of Directors

Laxmi Narayan Sharma

DIN : 00356855

Chairman of CSR Committee

Place : Kolkata

Dated : The 28th day of May, 2019

'ANNEXURE - H'

to the Directors' Report

DISCLOSURE IN DIRECTOR'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sl. No.	Employee Name	Designation	Remuneration Received (Amt. ₹)	Qualification	Age (yrs.)	Total Experience (yrs.)	Date of Commencement of Employment in the Company	Previous employment
A	B	C	D	E	F	G	H	I
1.	Radhey Shyam Jalan	Managing Director	60,00,000	B. Com (H), Chartered Accountant	39	17	16.01.2009	Nil
2.	Barun Kumar Singh	Head – Project & Business Development	25,51,419	Metallurgical Engineer	54	10	01.04.2017	Usha Martin Industries Ltd.
3.	Manoj Prasad	DGM (Mechanical)	18,23,324	Diploma (Mechanical Engineering)	44	15	15.10.2011	Jai Balaji Industries Ltd.
4.	Naga Venkata Ramesh Dronavall	DGM (Operation)	16,40,900	Diploma (Metallurgy)	48	14	19.01.2017	Atibir Industries Co. Ltd.
5.	Rama Shankar Singh	DGM - CPP	12,29,600	B – Tech (Electrical)	50	27	24.06.2017	Neo Metaliks Limited
6.	Navaratan Chhajer	Commercial Manager	12,13,004	B.com, Chartered Accountant	52	30	10.12.1993	Woolworth India Ltd.
7.	Mukesh Bengani	Chief Financial Officer	11,64,623	B. Com (H), Chartered Accountant	39	13	01.04.2009	ICICI Bank Ltd.
8.	Arun Kumar Das	Sr. GM (Production & Operations)	9,23,176	BSC., Diploma (Metallurgy), PG (Production Management)	52	20	15.10.1997	Usha Martin Industries Ltd.
9.	Supriya Banerjee	Manager (MBF/ Electrical)	8,91,932	Diploma (Electrical)	43	20	15.03.2007	Shivam Industries Ltd.
10.	Rakesh Kumar Khemani	Sr. Manager (Sale)	8,15,460	B.Com (H)	54	21	01.05.2013	Bengal Energy Ltd.

Notes :

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Fund.
2. Nature of employment is Contractual in the case of Managing Director
3. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division of the Company.
4. None of the employee mentioned above is relative of any Director of the Company.
5. None of the employee has any shareholding in the Company as on 31st March, 2019.
6. Total experience shown in Column G includes service with previous employers

Place : Kolkata

Dated : The 28th day of May, 2019

For and on behalf of the Board of Directors

Radhey Shyam Jalan

DIN : 00578800

Chairman and Managing Director



INDEPENDENT

Auditors' Report

To the Members of

M/s. K I C Metaliks Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **K I C Metaliks Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit and total comprehensive income, Changes in Equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of

INDEPENDENT

Auditors' Report

adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT

Auditors' Report

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, to the extent applicable, we report that,
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us
 - I. The Company has disclosed the impact of pending litigations on its financial position as on March 31, 2019 in its standalone financial statements;
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - III. There were no amounts, which were required to be transferred, to the Investor Education and protection fund by the Company.

For **B. N. AGRAWAL & CO.**
Chartered Accountants
Firm Reg. No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Date : The 28th day of May, 2019

'ANNEXURE A'

to the Independent Auditors' Report

(Referred to in Paragraph 1 under 'Report on other Legal and Regulatory Requirements' Section of our report to the Members of K I C Metaliks Limited 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.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in name of Company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable interval and 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 Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
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 Act, and are of the opinion on that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost 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) There is no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and Goods and Service Tax and other material statutory dues were in arrears as at March 31, 2019, for a period of more than six months from the date they became Payable.
 - (b) According to the information and explanations given to us, following are the statutory dues arrear as at March 31, 2019 which has not been deposited on account of dispute.

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act	Excise Duty	117.81	2006	CESTAT
Central Excise Act	CENVAT Credit Disallowed	14.34	2017	Commissioner (Appeals)

8. The Company has not defaulted in repayment of loans or Borrowings to any financial institution, banks, government or debenture holders during the year.



'ANNEXURE A'

to the Independent Auditors' Report

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 raised any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by provision of section 197 read with schedule V to the Act.
12. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transaction have been disclosed in financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transaction with Director or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The company is not required to registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Reg. No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Date : The 28th day of May, 2019

'ANNEXURE B'

to the Independent Auditors' Report

(Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013.)('The Act')

We have audited the Internal Financial Controls over financial reporting of **K I C Metaliks Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institution of Chartered Accountants of India (ICAI). These responsibilities includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on internal financial controls over financial Reporting (the 'Guidance Note') and the Standard of Auditing, issued by ICAI and deemed to be prescribe under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those standard and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtained audit evidence about the adequacy of the internal financial controls system over the financial reporting and there operating effectiveness. Our audit of the internal financial controls system over the financial reporting includes obtaining an understanding of internal financial controls system over the financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on Auditor's judgment, including the assessment of the risk of material misstatement of financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and disposition of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have material effect on the financial statements.



'ANNEXURE B'

to the Independent Auditors' Report

Inherent Limitation of Internal Financial Controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, includes the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projection of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Reg. No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Date : The 28th day of May, 2019

BALANCE SHEET

as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	11,241.07	11,990.36
Capital work-in-progress	3	7,180.67	902.59
Other non-current assets	4	14.94	691.94
Total Non-Current Assets		18,436.68	13,584.89
Current Assets			
Inventories	5	8,340.95	6,147.57
Financial Assets			
(i) Trade Receivables	6	4,741.62	2,879.61
(ii) Cash and Cash Equivalents	7	3.20	3.36
(iii) Bank Balances other than (ii) above	8	758.48	725.59
(iv) Others Financial Assets	9	51.12	37.93
Other Current Assets	10	5,019.72	5,887.57
Total Current Assets		18,915.09	15,681.63
TOTAL ASSETS		37,351.77	29,266.52
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	11	709.92	709.92
Other Equity	12	9,485.02	6,315.71
Total Equity		10,194.94	7,025.63
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	6,815.88	5,683.30
Provisions	14	143.70	135.72
Deferred Tax Liabilities (Net)	29	1,277.54	915.88
Total Non-Current Liabilities		8,237.12	6,734.90
Current Liabilities			
Financial Liabilities			
(i) Borrowings	15	2,476.69	1,853.47
(ii) Trade Payables	16	12,747.85	11,143.85
(iii) Other Financial Liabilities	17	17.70	115.75
Others Current Liabilities	18	1,992.70	1,825.03
Provisions	19	1,684.77	567.89
Total Current Liabilities		18,919.71	15,505.99
TOTAL EQUITY AND LIABILITIES		37,351.77	29,266.52

See accompanying notes to the financial statements.

In terms of our report of even date attached

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Dated : The 28th day of May, 2019

M. Bengani
Chief Financial Officer

R. Fogla
Company Secretary
Membership No. A23339

For and on behalf of the Board of Directors

R. S. Jalan
Chairman & Managing Director
DIN: 00578800

M. Poddar
Director
DIN: 08158445

**STATEMENT OF PROFIT AND LOSS**

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
REVENUE			
Revenue from Operations	20	84,884.20	57,555.95
Other Income	21	488.99	327.02
Total Income		85,373.19	57,882.97
EXPENSES			
Cost of Materials Consumed	22	48,068.62	33,125.72
Purchase of Stock-in-Trade	23	27,209.21	16,938.34
Changes in inventories of Finished Goods, Stock in Trade and Work in progress	24	(365.79)	7.24
Employee Benefit Expenses	25	1,484.47	1,262.14
Finance Costs	26	715.04	612.81
Depreciation and Amortization Expenses	27	771.00	816.35
Excise duty on sale of goods		-	995.92
Other Expenses	28	2,835.85	2,110.32
Total Expenses		80,718.40	55,868.84
Profit before Tax		4,654.79	2,014.13
Tax Expense			
(1) Current Tax	29	1,116.88	465.25
(2) Deferred Tax	29	364.09	445.79
Total Tax Expenses		1,480.97	911.04
Profit After Tax for the year		3,173.82	1,103.09
Other Comprehensive Income			
Item that will not be reclassified to profit & loss :			
Remeasurement of retirement benefits plan		(6.94)	(31.03)
Income tax affect relating to above		2.43	10.84
Other Comprehensive Income, net of tax		(4.51)	(20.19)
Total Comprehensive Income for the year		3,169.31	1,082.90
Earnings per Equity Share of par value of ₹ 2/- each			
- Basic (In ₹)	30	8.94	3.11
- Diluted (In ₹)	30	8.94	3.11

See accompanying notes to the financial statements.

In terms of our report of even date attached

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Dated : The 28th day of May, 2019

M. Bengani
Chief Financial Officer**R. Fogla**
Company Secretary
Membership No. A23339

For and on behalf of the Board of Directors

R. S. Jalan
Chairman & Managing Director
DIN: 00578800**M. Poddar**
Director
DIN: 08158445

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019

(₹ in Lakhs)

(a) Equity Share Capital

Particulars	Amount
Balance as at 31.03.2017	709.92
Changes in Equity Share Capital during the year	—
Balance as at 31.03.2018	709.92
Changes in Equity Share Capital during the year	—
Balance as at 31.03.2019	709.92

(b) Other Equity

For the year ended 31st March, 2019

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
Balance as at 01.04.2018	1,230.15	300.00	1,973.88	2,811.68	6,315.71
Profit for the year	—	—	—	3,173.82	3,173.82
Other Comprehensive Income	—	—	—	(4.51)	(4.51)
Balance as at 31.03.2019	1,230.15	300.00	1,973.88	5,980.99	9,485.02

For the year ended 31st March, 2018

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
Balance as at 01.04.2017	1,230.15	300.00	1,973.88	1,728.78	5,232.81
Profit for the year	—	—	—	1,103.09	1,103.09
Other comprehensive income	—	—	—	(20.19)	(20.19)
Balance as at 31.03.2018	1,230.15	300.00	1,973.88	2,811.68	6,315.71

See accompanying notes to the financial statements.

In terms of our report of even date attached

For and on behalf of the Board of Directors

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Dated : The 28th day of May, 2019

M. Bengani
Chief Financial Officer

R. Fogla
Company Secretary
Membership No. A23339

R. S. Jalan
Chairman & Managing Director
DIN: 00578800

M. Poddar
Director
DIN: 08158445



CASH FLOW STATEMENT

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxes	4,654.79	2,014.13
Adjustment for :		
Depreciation and Amortisation Expense	771.00	816.35
Finance costs	715.04	612.81
Interest income	(368.37)	(108.31)
Sundry Liabilities relating to earlier years written back	(74.91)	(40.64)
Impairment allowance for doubtful debts written back	(0.13)	(56.23)
Loss/(profit) on disposal of property, plant & equipment	(0.58)	1.67
Operating profit before working capital changes	5,696.84	3,239.78
Adjustments for:		
(Increase) / decrease in trade receivables	(1,861.88)	202.10
(Increase) / decrease in inventories	(2,193.38)	1,898.82
(Increase) / decrease in other current financial assets	(46.08)	(205.00)
(Increase) / decrease in other current assets	867.85	(1,461.54)
Increase / (decrease) in trade payables	1,678.91	661.25
Increase / (decrease) in current financial liabilities	(98.05)	51.13
Increase / (decrease) in other current liabilities	167.67	(1,476.81)
Increase / (decrease) in provisions	1,117.92	459.95
Operating profit after working capital changes	5,329.80	3,369.68
Income tax paid	1,116.88	465.25
Net cash flow generated from operating activities	4,212.92	2,904.43
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant & equipment	1.20	1.02
Capital expenditure on property, plant & equipment, including capital work-in-progress and capital advances	(5,623.41)	(1,934.52)
Interest income received	368.37	108.31
Net cash flow (used in)/generated from investing activities	(5,253.84)	(1,825.19)

CASH FLOW STATEMENT

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment/proceedings from short term borrowings	623.22	282.26
Repayment/proceedings of long term borrowings	921.90	(949.97)
Finance costs paid	(504.36)	(415.91)
Net cash flow used in Financing Activities	1,040.76	(1,083.62)
Net increase in Cash and Cash Equivalents	(0.16)	(4.38)
Cash and cash equivalents - opening balance	3.36	7.74
Cash and Cash Equivalents - closing balance	3.20	3.36

Notes : Cash Flow Statement has been prepared under the indirect method as given in the Indian Accounting Statndard (Ind AS 7) on the Cash Flow Statement.

In terms of our report of even date attached

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Dated : The 28th day of May, 2019

For and on behalf of the Board of Directors

R. S. Jalan

Chairman & Managing Director

DIN: 00578800

M. Bengani

Chief Financial Officer

R. Fogla

Company Secretary

Membership No. A23339

M. Poddar

Director

DIN: 08158445



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

1. Corporate information

K I C Metaliks Limited (the Company) is a Public Limited Company and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE). The Company is primarily engaged in manufacturing and sale of pig iron. The Company presently has manufacturing facilities at Vill- Raturia, Angadpur, near the city of Durgapur, in the state of West Bengal, India and registered office at "Sir RNM House, 4th floor, Room No. 2, 3B, Lal Bazar street, Kolkata- 700 001.

2. Significant accounting policies and key estimates and judgements

2.1 Statement of compliance

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable.

2.2 Basis of preparation of financial statements

The Company has adopted the issued Ind AS and such adoption was carried out in accordance with Ind AS.

The financial statements have been prepared under the Historical Cost convention with the exception of certain Assets and Liabilities that are required to be carried at fair values by Ind AS.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an Asset or a Liability, the Company takes into account the characteristics of the Asset or Liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosures in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 – Impairment of Assets.

2.3 Use of estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of Assets and Liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of Assets and Liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.4 Summary of significant accounting policies

a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenues are reduced for estimated rebates and other similar allowances.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

The Company recognises revenue when all the following criteria are satisfied:

- (i) significant risks and rewards of ownership has been transferred to the customer;
- (ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained;
- (iii) the amount of revenue can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Expense Recognition

All expenses are recognised in the Statement of Profit and Loss on accrual basis as per the necessary terms of the contracts entered into with suppliers and service providers.

c. Taxes

Tax expense for the year comprises Current and Deferred Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for Current Tax is calculated using tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred Tax Liabilities are generally recognised for all taxable temporary differences. In contrast, Deferred Tax Assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of Deferred Tax Assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred Tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of Deferred Tax Liabilities and Assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying amount of its Assets and Liabilities.

A Deferred Tax Asset arising from unused tax losses or tax credits are recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

Current and Deferred Tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

case the tax is also recognised in other comprehensive income or directly in equity.

d. Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

e. Depreciation of property, plant and equipment

Depreciation is provided so as to write off, on a straight-line basis, at rates specified in the Schedule II of the Companies Act, 2013. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful life of the property, plant and equipment is given below:-

Asset group	Useful life (in years)
Factory Building	30
Non-Factory Building	60
Plant & Equipment- pig iron & sinter	20-40
Captive Power Plant	40
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	05
Computers	03

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Intangible Assets

Intangible Assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

g. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income in statement profit and loss immediately.

h. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for intended use or sale.

All other borrowing costs are expensed in the period they occur. The borrowing cost is measured at amortised cost using the effective interest method.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related security and included within finance charges. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are written off as finance charges when paid. All other borrowing costs are expensed in the period in which they occur.

i. Leases

Leases under which the Company assumes substantially all risks and rewards of ownership are classified as finance lease. When acquired such assets are capitalised at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating lease are recognised as an expenses on a straight line basis in the statement of profit and loss account over the lease term.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of raw materials and stores & spares have been computed on weighted average method. Cost for the purpose of valuation of finished goods and work-in-progress has been computed taking into account cost of direct materials, direct labour costs and other overheads that have been incurred in bringing the inventories to their present location and condition. Waste and scrap have been valued at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

k. Retirement and other employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees' up to the reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. These are measured as per the provisions of Employees' Provident Fund Act, 1952 and Employees' State Insurance Act, 1948.

Expenses and liabilities in respect of employee benefit are recorded in accordance with Indian Accounting Standard (Ind AS 19 Employee Benefits). Post-employment benefits in the nature of defined benefit plans are recognised as expenses based on actuarial valuation carried by actuary at the Balance sheet date. Actuarial gain /loss, if any, arising from change in actuarial valuation are charged or credited to Other Comprehensive Income in the period in which they arise.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

l. Foreign currency translations

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement/ translation is recognised in the statement of profit and loss.

m. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the gross carrying amount on initial recognition.

i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since the initial recognition, loss allowance equal to twelve months credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since the initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

iii) Offsetting financial instruments

Financial assets and financial liabilities of the Company are offset and the net amount is included in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of cash credit. In the balance sheet, bank overdrafts or cash credit are shown within borrowings in current liabilities.

o. Cash flow statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p. Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

q. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Other government grants (grants related to income) are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognised in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

r. Earnings per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s. Provision and contingencies

A provision is recognised if as a result of past event the company has a present legal or constructive obligation that is reasonably estimated and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discontinuing the expected cash flow at a pre-tax rate that reflects current market assessments of the time value of the money and the risk specific to the liabilities. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Contingent liabilities, if material, are disclosed by way of notes to the accounts. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

Contingent assets are not recognised in the financial statements, as they are dependent on the outcome of legal or other processes.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

3. PROPERTY, PLANT AND EQUIPMENT

	As at 31.03.2019	As at 31.03.2018
Carrying Amounts of :		
Lease hold Land	114.30	118.04
Building and Shed - Factory	995.80	1,046.57
Building - Other	21.41	21.84
Plant and Equipments	9,847.18	10,508.39
Furniture and Fixtures	4.82	5.74
Vehicles	70.30	79.75
Office Equipments	2.43	2.58
Computers	3.54	6.96
Total (A)	11,059.78	11,789.87
Assets Given on Lease		
Building & Shed	106.05	113.82
Plant and Equipments	75.23	86.66
Furniture and Fixtures	0.01	0.01
Total (B)	181.29	200.49
Total (A+B)	11,241.07	11,990.36
Capital Work in Progress	7,180.67	902.59
Total	18,421.74	12,892.95

Particulars	Lease hold Land	Building and Shed-Factory	Building -Other	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Assets given on lease			Total
									Building & Shed	Plant and Equipments	Furniture and Fixtures	
For the FY 2018-19												
Gross carrying amount												
As at 01.04.2018	125.53	1,148.13	22.70	11,949.11	7.58	116.26	6.45	18.07	129.36	110.56	0.01	13,633.76
Additions	-	-	-	12.44	-	9.44	0.45	-	-	-	-	22.33
Disposals	-	-	-	-	-	5.82	-	-	-	-	-	5.82
As at 31.03.2019	125.53	1,148.13	22.70	11,961.55	7.58	119.88	6.90	18.07	129.36	110.56	0.01	13,650.27
Accumulated depreciation												
As at 01.04.2018	7.49	101.56	0.86	1,440.72	1.84	36.51	3.87	11.11	15.54	23.90	-	1,643.40
Charge for the year	3.74	50.77	0.43	673.65	0.92	18.27	0.60	3.42	7.77	11.43	-	771.00
Disposals	-	-	-	-	-	5.20	-	-	-	-	-	5.20
As at 31.03.2019	11.23	152.33	1.29	2,114.37	2.76	49.58	4.47	14.53	23.31	35.33	-	2,409.20
Net carrying amount as at 31.03.2019	114.30	995.80	21.41	9,847.18	4.82	70.30	2.43	3.54	106.05	75.23	0.01	11,241.07
Net carrying amount as at 31.03.2018	118.04	1,046.57	21.84	10,508.39	5.74	79.75	2.58	6.96	113.82	86.66	0.01	11,990.36
For the FY 2017-18												
Gross carrying amount												
As at 01.04.2017	125.53	1,148.13	22.70	11,622.19	7.58	107.84	6.45	18.07	129.36	110.56	0.01	13,298.42
Additions	-	-	-	326.92	-	13.07	-	-	-	-	-	339.99
Disposals	-	-	-	-	-	4.65	-	-	-	-	-	4.65
As at 31.03.2018	125.53	1,148.13	22.70	11,949.11	7.58	116.26	6.45	18.07	129.36	110.56	0.01	13,633.76
Accumulated depreciation												
As at 01.04.2017	3.74	50.78	0.43	726.22	0.92	18.54	2.68	5.81	7.77	12.12	-	829.01
Charge for the year	3.75	50.78	0.43	714.50	0.92	19.93	1.19	5.30	7.77	11.78	-	816.35
Disposals	-	-	-	-	-	1.96	-	-	-	-	-	1.96
As at 31.03.2018	7.49	101.56	0.86	1,440.72	1.84	36.51	3.87	11.11	15.54	23.90	-	1,643.40
Net carrying amount as at 31.03.2018	118.04	1,046.57	21.84	10,508.39	5.74	79.75	2.58	6.96	113.82	86.66	0.01	11,990.36

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

3.1 Property, plant and equipment includes assets pledged as security to bank for working capital loan (Refer note no 15.1)

3.2 Refer Note No 31.1 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

3.3 Amount of Borrowing costs capitalised during the year ₹ 513.82 Lakhs, Previous year ₹ 28.45 Lakhs.

3.4 Details of pre-operative expenditure as a part of Capital work-in-progress

Particulars	As at 31.03.2019	As at 31.3.2018
Power and Fuel	35.50	12.00
Employee Benefit Expense	55.80	12.63
Finance Cost and Other Borrowing Cost	513.82	28.45
Others	74.97	33.38
Pre-Operative expenses for the year	680.09	86.46
Add Pre-Operative Expenses upto previous year	86.46	-
Total Pre-Operative Expenses	766.55	86.46

4. OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.3.2018
Capital advances	14.94	691.94
Total	14.94	691.94

5. INVENTORIES

Particulars	As at 31.03.2019	As at 31.3.2018
(i) Raw materials	7,324.89	5,364.21
(ii) Finished goods	610.85	245.06
(iii) Stores and spares	405.21	538.30
Total	8,340.95	6,147.57
Included above, goods in transit		
(i) Raw materials	190.41	116.89
	190.41	116.89

[Basis of valuation refer Note-2.4 (j)]

5.1 For Inventories hypothecation as security to bank for working capital loan. (Refer note no 15.1)

6. TRADE RECEIVABLES

Particulars	As at 31.03.2019	As at 31.3.2018
Unsecured		
Considered good	4,741.62	2,879.61
Considered doubtful	2.24	2.37
Less: Impairment allowance for doubtful debts (expected credit loss allowance)	(2.24)	(2.37)
Total	4,741.62	2,879.61



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

6.1 Trade receivables are further analysed as follows:

Particulars	As at 31.03.2019		
	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	4,445.39	-	4,445.39
One month overdue	274.15	-	274.15
Two months overdue	0.05	-	0.05
Three months overdue	-	-	-
Between three to six months overdue	17.64	-	17.64
Greater than six months overdue	6.63	(2.24)	4.39
	4,743.86	(2.24)	4,741.62

Particulars	As at 31.03.2018		
	Gross credit risk	Impairment provision	Net credit risk
Amounts not yet due	2,818.12	-	2,818.12
One month overdue	46.16	-	46.16
Two months overdue	-	-	-
Three months overdue	3.72	-	3.72
Between three to six months overdue	2.93	-	2.93
Greater than six months overdue	11.05	(2.37)	8.68
	2,881.98	(2.37)	2,879.61

6.2 Movement of Impairment Allowance for doubtful debts (Expected credit loss allowance)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Balance at the beginning of the period	2.37	58.60
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	(0.13)	(56.23)
Balance at the end of the period	2.24	2.37

6.3 There are no outstanding debts due from directors or other officers of the company.

7. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
Cash on hand	0.22	2.28
Balances with Banks		
- In Current Accounts	2.98	1.08
Total	3.20	3.36

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
In Fixed Deposits Account	758.48	725.59
Total	758.48	725.59

8.1 Balance in fixed deposits is pledged with bank as margin money for letter of credit/bank guarantee.

9. OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good		
Security Deposits	51.12	37.93
Total	51.12	37.93

10. OTHER CURRENT ASSETS

Particulars	As at 31.03.2019	As at 31.03.2018
Balance with Government authorities	1,556.00	613.69
Prepaid Expenses	23.24	10.44
Advances to suppliers (against supply of goods or services)	3,440.48	5,263.44
Total	5,019.72	5,887.57

11. EQUITY SHARE CAPITAL

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised:		
Equity Share Capital		
12,50,00,000 Equity Shares of ₹ 2/- each	2,500.00	2,500.00
(31.03.2018: 2,50,00,000 Equity Shares of ₹ 10/- each)		
Preference Share Capital		
7,50,00,000 Preference Shares of ₹ 10/- each	7,500.00	7,500.00
(31.03.2018: 7,50,00,000 Preference Shares of ₹ 10/- each)		
Total	10,000.00	10,000.00
Issued, subscribed and fully paid-up		
3,54,96,000 Equity Shares of ₹ 2/- each	709.92	709.92
(31.03.2018: 70,99,200 Equity Shares of ₹ 10/- each)		

11.1 Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period are as given below :

Particulars	As at 31.03.2019		As at 31.03.2018	
	No of Shares	(₹ in Lakhs)	No of Shares	(₹ in Lakhs)
Opening balance	70,99,200	709.92	70,99,200	709.92
Increase in number of shares due to sub-division (Refer note no 11.5)	2,83,96,800	-	-	-
Closing balance	3,54,96,000	709.92	70,99,200	709.92



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

11.2 Shares held by holding Company

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares of ₹ 2/- each	(%)	No. of shares of ₹ 10/- each	(%)
Equity Shares				
Karni Syntex Pvt. Ltd	2,06,85,480	58.28	41,37,096	58.28

11.3 List of Shareholder holding more than 5 percent shares in the Company:

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of shares of ₹ 2/- each	(%)	No. of shares of ₹ 10/- each	(%)
Equity Shares				
i) Karni Syntex Pvt. Ltd	2,06,85,480	58.28	41,37,096	58.28
ii) Flamingo Overseas Pvt. Ltd.	30,00,000	8.45	6,00,000	8.45

11.4 Rights, preferences and restrictions attached to shares

The Equity Shares of the Company have par value of ₹ 2/- 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.

11.5 Sub-division of Equity Shares

During the year 2018-19 the Equity Shares of the Company having the face value of ₹ 10/- (Rupees ten) each were subdivided in 5 (five) Equity Shares having face value of ₹ 2/- (Rupees two) each. Accordingly 70,99,200 Equity Shares of face value of ₹ 10/- each were sub divided into 3,54,96,000 Equity Shares of face value of ₹ 2/- each.

11.6 Paid and Proposed dividend of ₹ Nil (Previous Year ₹ Nil)

12. OTHER EQUITY

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Component of Compound Financial Instruments	1,230.15	1,230.15
Capital Redemption Reserve	300.00	300.00
Securities Premium	1,973.88	1,973.88
Retained Earnings	5,980.99	2,811.68
Total	9,485.02	6,315.71

12.1 Equity Component of Compound Financial Instruments (7% Redeemable non-cumulative preference shares)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at the beginning of the year	1,230.15	1,230.15
Add: Addition during the year	-	-
Balance at the end of the year	1,230.15	1,230.15

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

12.2 Capital Redemption Reserve

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at the beginning of the year	300.00	300.00
Add: Addition during the year	-	-
Balance at the end of the year	300.00	300.00

12.2.1 Capital Redemption Reserve represents the reserve created against the redemption of 8% Redeemable Cumulative Preference Shares of ₹ 10/- each, during the financial year 2005-06. It is a statutory, non-distributable reserve into which amounts are transferred following the redemption of shares as per the relevant provisions of the Companies Act prevailing at that time.

12.3 Securities Premium

Particulars	As at 31.03.2019	As at 31.03.2018
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	1,973.88	1,973.88

12.3.1 Securities Premium represents the amount received in excess of par value of securities. These will be utilised in accordance with the provisions of the Companies Act, 2013.

12.4 Retained earnings

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at the beginning of the year	2,811.68	1,728.78
Profit After Tax for the year	3,173.82	1,103.09
Other Comprehensive Income arising from remeasurement of defined benefit obligation, net of income tax	(4.51)	(20.19)
Balance at the end of the year	5,980.99	2,811.68

12.4.1 Retained Earnings represents the undistributed profits of the Company. The amount that can be distributed by the Company as dividends to its Equity shareholders is determined on the basis of the balance of the Retained Earnings of the financial statements after considering the requirements of the Companies Act, 2013.

13. BORROWINGS

Particulars	As at 31.03.2019	As at 31.03.2018
Non-Current		
Secured		
Vehicle loans	10.49	18.59
Total Secured Borrowings	10.49	18.59
Unsecured		
7% Redeemable Non-Cumulative Preference Shares of ₹ 10 each fully paid up	3,220.39	3,009.71
Other loans (Inter Corporate Deposits)	3,585.00	2,655.00
Total Unsecured Borrowings	6,805.39	5,664.71
Total	6,815.88	5,683.30

13.1 Vehicle loans are secured by hypothecation of vehicles purchased under the respective agreements. Interest rate varies from 8.80% to 10.01% p.a. repayable in equated monthly instalment.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

13.2 Redeemable Non-Cumulative Preference Shares of ₹ 10/- each carries a fixed dividend rate of 7%. The Preference Shares are redeemable at par on completion of the 12th year, however at the discretion of the Company, same can be redeemed any time after 5 years from the date of issue. In case of liquidation, the preference shareholders will have preference over the Equity shareholders over the distribution of remaining assets of the Company.

13.3 Other loans carries interest rate of 9% to 13% p.a, repayable after 5 years from the date of the loan.

14. PROVISIONS

Particulars	As at 31.03.2019	As at 31.03.2018
Non-Current		
Post-employment defined benefits		
- Retirement gratuity	119.60	110.62
Other Employee Benefits	24.10	25.10
Total	143.70	135.72

15. BORROWINGS

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Secured		
Repayable on demand from banks		
- Cash Credits	1,976.69	1,853.47
Unsecured		
Short Term Loan from Corporate body	500.00	-
Total	2,476.69	1,853.47

15.1 The working capital loans from banks are secured by way of first charge on 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 the Promoter Director.

16. TRADE PAYABLES

Particulars	As at 31.03.2019	As at 31.03.2018
Outstanding dues of micro, small and medium enterprise	-	-
Outstanding dues of creditors other than micro, small and medium enterprise :		
- Creditors for supplies and services	12,747.85	11,143.85
Total	12,747.85	11,143.85

16.1 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 31.03.2019. 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.

17. OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Current maturities of vehicle loan	17.26	18.34
Interest payable on other Borrowings	0.44	97.41
Total	17.70	115.75

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

18. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory dues	1,166.33	717.33
Advance from customers	763.52	1,062.14
Payable to employees	62.85	45.56
Total	1,992.70	1,825.03

19. PROVISIONS

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
Provision for Taxation	1,684.77	567.89
Total	1,684.77	567.89

20. REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Revenue from contracts with customers		
Sale of goods:		
- Pig iron	54,295.34	39,097.20
- Coke and coal	28,468.53	17,917.98
- Others	2,120.33	540.77
Total	84,884.20	57,555.95

20.1 The Government of India introduced Goods and Service Tax (GST) w.e.f July 1, 2017. Since GST is collected on behalf of the Government, as per requirement of Ind AS 18, revenue from July 1, 2017, is presented net of GST. Revenue for the previous period upto June 30, 2017 includes excise duty which now has been subsumed in GST. Accordingly, revenue from operations for the current year ended March 31, 2019 are not comparable with previous year.

21. OTHER INCOME

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest Income	368.37	108.31
Lease Rental	45.00	13.10
Foreign Exchange fluctuation gain	-	108.74
Sundry Liabilities relating to earlier years written back	74.91	40.64
Impairment allowance for doubtful debts written back	0.13	56.23
Profit on sale of property, plant and equipment	0.58	-
Total	488.99	327.02



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

22. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Raw Materials Consumed		
Opening stock	5,364.21	7,220.66
Add: Purchases	53,532.74	33,739.32
	58,896.95	40,959.98
Less: Transfer to Stock-in-Trade	3,503.44	2,470.05
Less: closing stock	7,324.89	5,364.21
Total Raw Material Consumed	48,068.62	33,125.72
Raw Materials Consumption comprises		
Iron Ore	12,498.60	9,592.01
Coke and Coal	33,651.99	22,072.48
Others	1,918.03	1,461.23
Total Raw material consumed	48,068.62	33,125.72

23. PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Coke and Coal	23,090.97	14,437.39
Add: Transfer from Raw Materials	3,503.44	2,470.05
	26,594.41	16,907.44
Others	614.80	30.90
Total	27,209.21	16,938.34

24. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Closing stock of finished goods	610.85	245.06
Opening stock of finished goods	245.06	283.84
(Increase)/decrease in inventory	(365.79)	38.78
Excise Duty on account of change in stock of finished goods	-	(31.54)
Total	(365.79)	7.24

25. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, wages , labour charges, bonus etc	1,345.44	1,141.92
Contribution to provident and other funds	120.74	102.38
Staff Welfare Expenses	18.29	17.84
Total	1,484.47	1,262.14

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

26. FINANCE COST

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest expense:		
- Interest on borrowings	410.07	344.02
- Interest on Preference Shares	210.68	196.90
- Interest on others	10.14	21.35
Other Borrowing Cost	84.15	50.54
Total	715.04	612.81

27. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Depreciation on property, plant and equipment as per Note 3	771.00	816.35
Total	771.00	816.35

28. OTHER EXPENSES

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Consumption of stores and spares	1,176.56	884.34
Power and fuel	731.04	635.45
Rent	8.16	8.39
Repairs to machinery	76.92	54.52
Insurance	7.70	10.04
Rates and Taxes	40.73	40.59
Carriage Outwards	9.69	23.45
Commission on sales	49.28	25.36
Corporate Social Responsibility Expenditure	11.58	-
Foreign Exchange Fluctuation Loss	138.48	-
Loss on sale of property, plant and equipment	-	1.67
Payment to auditor		
For Statutory Audit	5.00	2.50
For Tax Audit	1.00	0.50
For Limited Review and Certification	5.37	0.32
Miscellaneous Expenses	574.34	423.19
Total	2,835.85	2,110.32



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

29. INCOME TAX EXPENSE

29.1 Income Tax recognised in profit or loss

Particulars	As at 31.03.2019	As at 31.03.2018
a) Current tax expense		
Current year	1,116.88	465.25
b) Deferred tax expense		
Origination and reversal of temporary differences and mat credit entitlement	364.09	445.79
Total Income Tax expense	1,480.97	911.04

29.2 Income Tax recognised in OCI

Particulars	As at 31.03.2019	As at 31.03.2018
Remeasurement of defined benefit plans	2.43	10.84
Total income Tax expense relating to OCI items	2.43	10.84

29.3 Deferred Tax Assets and Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Liabilities		
Difference between book and tax depreciation	1,968.00	1,906.19
Related to Preference Shares	444.94	518.56
Total deferred Tax Liabilities	2,412.94	2,424.75
Assets		
Unabsorbed depreciation & business losses as per Income Tax Act	-	303.86
Provision for employee benefits	47.79	47.43
Allowance for doubtful debts	0.78	0.83
Mat credit Entitlement	1,086.83	1,156.75
Total deferred Tax Assets	1,135.40	1,508.87
Net deferred Tax Assets/(Liabilities)	1,277.54	915.88

29.4 Reconciliation of Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	915.88	480.93
Deferred Tax Expenses recognised in Statement of Profit and Loss	364.09	445.79
Deferred Tax recognised on Other Comprehensive Income	(2.43)	(10.84)
Closing Balance	1,277.54	915.88

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

30. EARNINGS PER SHARE (EPS)

Computation of Earnings Per Share

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Face value of Equity Shares	₹ 2	₹ 2
Weighted Average number of Equity Shares used for computing Earnings Per Share (basic & diluted)	3,54,96,000	3,54,96,000
Profit attributable to Equity Share Holders	3,173.82	1,103.09
Earnings Per Share (basic and diluted)	8.94	3.11

30.1 Pursuant to approval of the shareholders vide resolution dated 26th September, 2018 the Equity Shares of face value ₹ 10/- were sub-divided into 5 Equity Shares of ₹ 2/- each w.e.f. 5th November, 2018. Accordingly, EPS for all the reported periods has been calculated after considering the said sub-division of shares.

31. COMMITMENTS AND CONTINGENCIES

31.1 Capital commitments

Particulars	As at 31.03.2019	As at 31.03.2018
Estimated value of contracts in capital account remaining to be executed (net of advances)	356.36	2,754.71

31.2.1 Contingent Liabilities (to the extent not provided for and claim against Company not acknowledged as debts) Ind AS 37.

Particulars	As at 31.03.2019	As at 31.03.2018
Disputed Liabilities		
Excise Duty matters (Amount paid under protest ₹ 1.08 Lakhs, Previous Year Nil)	132.15	117.81
Sales Tax & VAT matters	-	137.92
Jharkhand entry tax matters (Amount paid under protest ₹ 81.75 Lakhs, Previous Year ₹ 81.75 Lakhs)	81.75	81.75
Guarantees		
Bank Guarantees	223.00	223.00

31.2.2 The Company has received demand from South Eastern Railway towards differential freight payment pertaining to the period F.Y. 2008-09 to F.Y. 2010-11 amounting to ₹ 603.91 Lakhs plus interest and penalty there on. The matter is subjudice with hono'rabl Calcutta High Court. The management are in view that there is a fair chance of quashing of demand and accordingly no provision has been made in the Accounts.

31.2.3 In the respect of the above matters, future cash flow are determinable on receipt of judgement/decision pending at various forums/authorities.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

32. Segment Reporting

Based on the “Management approach” as defined by Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators. The Company is predominantly engaged in a single reportable segment of Iron & Steel during the year. The risks and returns of manufacturing of pig iron and trading of its raw material are directly associated with Iron & Steel business and hence treated as 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 other than those already provided in the Financial statements. The Company is operating within India only and hence India is the only geographical segment.

33. RELATED PARTY TRANSACTIONS

33.1 List of Related Parties and the nature of relationship :

Name of Related Party	Nature of relationship
Karni Syntex Pvt. Ltd	Holding Company
Key Managerial Personnel	
- Mr. Radhey Shyam Jalan	Managing Director
- Mrs. Manjula Poddar	Independent Director
- Mr. Suresh Kumar Singhal	Independent Director
- Mr. Laxmi Narayan Sharma	Independent Director
- Mr. Mukesh Bengani	Chief Financial Officer
- Mrs. Ruchika Fogla	Company Secretary

33.2 Transactions during the year

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
With Holding Company - Karni Syntex Pvt. Ltd		
- Loan taken during the year	-	100.00
- Loan repaid during the year	-	(100.00)
- Interest paid on loan taken	-	1.38
With Key Managerial Personnel		
- Director's remuneration	60.00	43.55
- Other KMP's remuneration	14.52	12.73
- Other benefits paid	0.65	0.40

34. EMPLOYEE BENEFITS

34.1 Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

(₹ in Lakhs)

Provident Fund

In accordance with Indian law, eligible employees of K I C Metaliks Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). During the year, the Company has recognised ₹ 84.45 lakhs (2017-18: ₹ 70.27 lakhs) as contribution in the Statement of profit and loss.

Employees' State Insurance

In accordance with Indian law, eligible employees of K I C Metaliks Limited are entitled to receive benefits in respect of Employee's State Insurance, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 4.75% of employees' salary). During the year, the Company has recognised ₹ 36.28 lakhs (2017-18: ₹ 32.11 lakhs) as contribution in the Statement of profit and loss.

34.2 Defined Benefit Plans

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company is exposed to interest risk, liquidity risk, salary escalation risk, demographic risk and regulatory risk.

- i. **Interest risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- ii. **Liquidity risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- iii. **Salary Escalation risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- iv. **Demographic risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- v. **Regulatory risk :** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20 Lakhs).

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2019 by Kushwant Pahwa, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



NOTES TO THE FINANCIAL STATEMENTS

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(₹ in Lakhs)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	As at 31.03.2019	As at 31.03.2018
Discount rate(s)	7.60%	7.70%
Rate of increase in salaries	5.00%	5.00%
Mortality	IALM 06-08 ULTIMATE	IALM 06-08 Ultimate
Normal retirement age	58 years	58 years
Attrition Rate	2.00%	2.00%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Past service cost	-	2.58
Current service cost	12.12	10.68
Loss/(gain) on settlement	-	-
Net interest income/ (cost) on the net defined benefit liability (asset)	8.51	4.80
Components of defined benefit costs recognised in profit or loss	20.63	18.06
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	1.03	(3.48)
Actuarial (gains)/losses arising from experience variance (i.e. actual experience vs assumptions)	5.92	34.51
Components of defined benefit costs recognised in other comprehensive income	6.95	31.03
Total	27.58	49.09

The current service cost and the net interest expense for the year are included in the "Employee Benefits Expense" line item in the statement of profit and loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Present value of funded defined benefit obligation	119.60	110.62
Fair value of plan assets	-	-
Funded status [Surplus/(deficit)]	(119.60)	(110.62)
Unrecognised past service costs	-	-
Net Liability/(Asset) arising from defined benefit obligation	(119.60)	(110.62)

NOTES TO THE FINANCIAL STATEMENTS

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(₹ in Lakhs)

Movements in the present value of the defined benefit obligations are as follows:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening defined benefit obligations	110.62	65.37
Current service cost	12.12	10.68
Interest Cost	8.52	4.80
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	1.03	(3.48)
Actuarial (gains)/losses arising from experience assumptions	5.92	34.51
Past service cost, including losses /(gains) on curtailment	-	2.58
Acquisition credit Cost	-	-
Benefits paid	(18.61)	(3.84)
Closing defined benefit obligation	119.60	110.62

Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate		
+1.00% discount rate	109.93	101.66
- 1.00% discount rate	130.76	120.95
Salary escalation		
+ 1.00% salary escalation	131.23	121.40
- 1.00% salary escalation	109.36	101.13
Attrition rate		
+ 50% withdrawal rate	121.63	112.60
- 50% withdrawal rate	117.32	108.42
Mortality rate		
+ 10.0% mortality rate	119.98	111.02
- 10.0% mortality rate	119.21	110.22

The expected maturity analysis of undiscounted defined benefit obligation is as below:

Particulars	As at 31.03.2019	As at 31.03.2018
1st year	9.27	8.17
2 to 5 years	36.75	30.64
6 to 10 years	58.58	61.81
More than 10 years	169.29	154.92



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for the year ended 31st March, 2019

(₹ in Lakhs)

Details of plan assets

The scheme is unfunded.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years.

35. FINANCIAL INSTRUMENTS

35.1 Categories of financial instruments

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assets		
(i) Measured at amortised cost		
(a) Trade receivables	4,741.62	2,879.61
(b) Cash and bank balances	761.68	728.95
(c) Other financial assets	51.12	37.93
Sub-total	5,554.42	3,646.49
Financial liabilities		
(i) Measured at amortised cost		
(a) Borrowings	9,292.57	7,536.77
(b) Trade payables	12,747.85	11,143.85
(c) Other financial liabilities	17.70	115.75
Sub-total	22,058.12	18,796.37

35.2 Capital management

The Company's objectives when managing capital are to:-

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital; and
- ensure Compliance with covenants related to its credit facilities.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in the financial markets so as to maintain and sustain future development of the business.

The Company's capital management objective is to maintain an optimal Debt Equity structure so as to reduce the Cost of Capital, thereby enhancing returns to shareholders. The Company also has a policy of making judicious use of various available debt instruments within its overall working capital drawing limit.

NOTES TO THE FINANCIAL STATEMENTS

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(₹ in Lakhs)

The Debt-Equity Ratio of the Company is as follows :

Particulars	As at 31.03.2019	As at 31.03.2018
i) Equity Share Capital	709.92	709.92
ii) Other Equity	9,485.02	6,315.71
Total Equity (a)	10,194.94	7,025.63
i) Short-Term Borrowings	2,476.69	1,853.47
ii) Long Term Borrowings	6,815.88	5,683.30
iii) Current maturity of long term debt	17.26	18.34
iv) Interest payable on other borrowings	0.44	97.41
Total Debt (b)	9,310.27	7,652.52
Debt to Equity Ratio	0.91	1.09

36. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities are to finance the Company's operations and to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk, market risks and foreign currency risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Follow-up of the debtors
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at fixed interest rates which are reset as per economic condition	Sensitivity analysis	Monitoring of interest rates. Interest rates are unhedged.
Foreign Currency Risk	Change in Foreign Currency Rate	Sensitivity analysis	Monitoring movement of Foreign Currency rate and hedging the exposure.

36.1 Risk management framework

Managing Director and Chief Financial Officer of the Company evaluates and manages the uncertainties in the Company. They conduct meetings at regular intervals involving other high level officers of the Company and provides updates to the Audit Committee/Board.

The management of financial risks by the Company is summarized below:

36.1.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and Cash and Cash Equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

36.1.2 Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

36.1.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign Currency exposure as at 31st March, 2019	Currency	Amount in FC (In \$)	Amount (₹ in Lakhs)
Trade Payables	USD	31.96	2,294.83

Unhedged Foreign Currency exposure as at 31st March, 2018	Currency	Amount in FC (In \$)	Amount (₹ in Lakhs)
Trade Payables	USD	2.51	163.84

Foreign currency sensitivity

2% increase or decrease in foreign exchange rates will have the following impact on profit before tax:-

(₹ in Lakhs)

Particulars	2018-19		2017-18	
	2% Increase - Loss	2% Decrease - Profit	2% Increase - Loss	2% Decrease - Profit
USD	(45.90)	45.90	(3.28)	3.28
Increase / (Decrease) in profit before tax	(45.90)	45.90	(3.28)	3.28

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ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest risk exposure relating to the financial instrument classified at amortised cost by using the market interest rate as the effective interest rate and the changes in the assets liabilities is accounted for as interest income/expenses with respect to financial assets/financial liabilities respectively. The Company however has only fixed interest rate term loan. As there is no primary exposure to the interest rate risk the sensitivity analysis has not been performed by the Company.

37. CORPORATE SOCIAL RESPONSIBILITY EXPENSE

Gross amount required to be spent by the Company as per section 135 of the Company Act, 2013 read with schedule VII thereof, during the year 2018-19 was ₹ 18.17 Lakh. The details of the amount spent during the year on CSR activity is given below:

Particulars	In cash		Yet to be paid in cash		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
(i) Construction / Acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	11.58	-	6.59	-	18.17	-

38. Previous year's figure have been re-grouped/re-classified wherever necessary.

In terms of our report of even date attached

For **B. N. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 320312E

B. N. AGARWAL

Partner

Membership No. 055649

Place : Kolkata

Dated : The 28th day of May, 2019

For and on behalf of the Board of Directors

R. S. Jalan

Chairman & Managing Director

DIN: 00578800

M. Bengani

Chief Financial Officer

R. Fogla

Company Secretary
Membership No. A23339

M. Poddar

Director
DIN: 08158445

NOTES

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NOTES

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