

# Believe



Aspiration



Quality



Sustainability

## K I C METALIKS LIMITED

ANNUAL REPORT 2019-20

# Read inside this Report



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## All about K I C Metaliks Ltd.

We explain who we are, where we operate, our business model and strategy, corporate action and a summary of how we performed.

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This Annual Report is available online at <http://www.kicmetaliks.com/performance/annual-reports/>



The cover visual shows Origami based windmill which moves as per the wind direction to generate power. Paper rocket, another element added to the cover also sails freely as per the direction of the air. Both of them symbolizes K I C Metaliks Ltd., which is moving ahead with power and vigor charting its own direction amidst challenges. The liquid iron on the background shows the qualitative aspect of Pig Iron manufactured by the Company with its relentless focus on environment protection.





“With realization  
of one's  
own potential  
and self-  
confidence,  
in one's ability,  
one can  
build a better  
world.”

*-Dalai Lama*

## When the going gets tough...

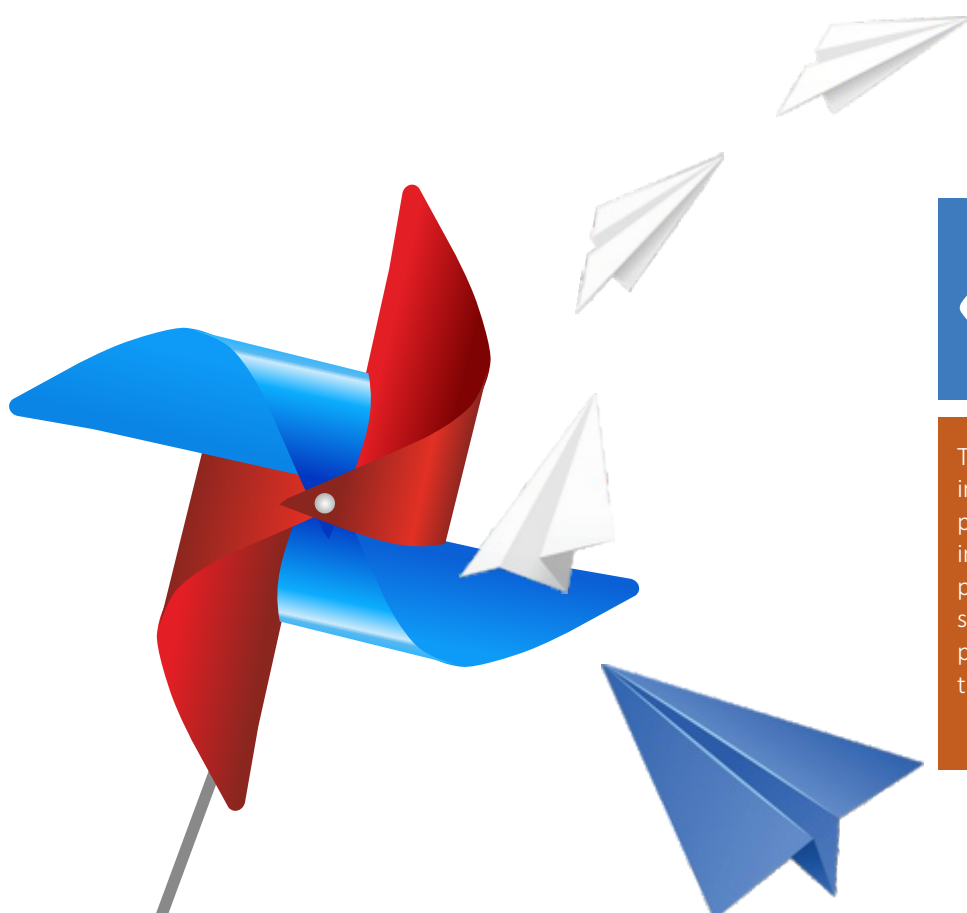
Managers plan for de-growth. Capacity expansions are staggered. Pessimism marks business plans. Market widening initiatives are attacked. Business plans start with 'umm' and end with 'let's see'. Office tea becomes a chargeable perquisite. The cash box echoes.

## But the tough get going...

He whistles to work. Stays fit. Thinks lateral. Analyses options. Tells the world that 'things will soon be better'. Finds new ways of doing old things. Makes the rupee last longer. Starts drawing business plans as if nothing has happened. Makes every minute count. Goes out and meets customers.

This led us to fortify our resolve. The 'belief' in our robust manufacturing facility. The belief in our corporate aspirations. The belief in our budding product quality manufactured at our facility. The belief in our corporate sustainability, has led us to cross many strides and work for the betterment of the society.

## At K I C Metaliks Limited, this 'self-belief' is widening our world.



Vision

To become one of the most competitive integrated steel plants with diversified product offering through technological improvements, cost efficiency, unique product quality, total customer satisfaction, safe and healthy work practices and our responsibility towards the society.



## Know about us



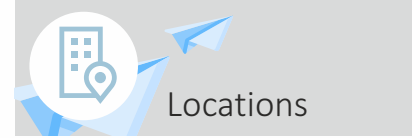
### Heritage

Flagship Pig Iron manufacturing Company led by a young and energetic entrepreneur Mr. Radhey Shyam Jalan.



### Identity

One of Eastern India's leading Pig Iron manufacturer, with product-line featuring both foundry grade and steel grade pig iron.



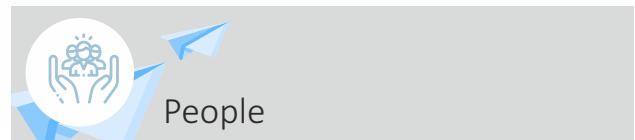
### Locations

Headquartered at Kolkata; manufacturing facility at Durgapur in West Bengal.



### Quality

USP of the key products i.e. pig iron is its unique size which aids in ready sale of the product and makes the Company a leading producer of pig iron in Eastern India.



### People

Total employee strength of 299 as on March 31, 2020.



### Pride



The Company has been inducted in Fortune 500 companies of India. It has also been accorded with Fastest Growing Company (turnover between INR 301 crore and INR 1000 crore) by The Economic Times – Bengal Corporate Award was given by Mr. Piyush Goyal, Hon'ble Minister of Railway and Commerce & Industry and Mr. Babul Supriya, Hon'ble Minister of State for Environment, Forest & Climate Change in the Union Council of Minister to Mr. Radhey Shyam Jalan, Chairman & Managing Director of the Company.





## From the desk of Chairman



*Dear Members,*

“Where there is a stepping stone, there is a milestone”.

As another year treaded by various phases passes by, I feel extremely elated to reconnect with you through our annual report. We have witnessed a paradigm shift by pursuing excellence towards achieving our economic, social and environmental goals.

### **Economical context**

In financial year 2019-20 the global economy witnessed uneven circumstances including global trade imbalances, escalating political tensions between world super powers and the mid Indian economy was also not left aloof.

Facing a weaker consumer sentiment, slackening demand and liquidity crunch – the India economy stunted a GDP growth of 4.2% during the year. With sluggish manufacturing activities, Index of Industrial AProduction (IIP) growth, also turned unfavorable. In-midst of all, during the last quarter of 2019-20, the domestic economy alongwith the economies across the world started witnessing testing times owing to the COVID-19 pandemic. The Government and the Reserve Bank of India (RBI)

responded with prompt fiscal and monetary measures to counter the outbreak of virus and protect the economy that had come to a near standstill state. The Government also announced fiscal support under the 'Aatma Nirbhar Bharat Abhiyan' on May 12, 2020 with an intention to inject ` 20.9 trillion into the economy. In addition, the clarion call given by the Honorable Prime Minister to go 'vocal for local' aims to promote competitiveness of local produce vis-à-vis global brands. The resultant impact shall lead to a gradual recovery in the medium term. *At K I C Metaliks Limited, we are all working hard to bring back normalcy to our lives, and ensure safety of our employees and communities.*

### **Our performance**

In last decade, our Company has seen many disruptions. However, the one constant is that we have always emerged stronger after periods of turmoil. “Believe” is embedded in the DNA of our Company. This explains the enduring trust of all stakeholders.

2019-20 was one of the testing years in our history. Having seen our fair share of downturns, during the current year, the performance made by the Company had not really been encouraging and appealing. However, we continued to do what we do best – make the change instead of waiting for it. Although our sales and correspondingly the profits went down, but we continued to create long-term value for our stakeholders. Across businesses, our near-term focus is to conserve cash, advance our consumer connect, adopt the best technologies and enhance the value-added product play.

### **Impact of COVID-19**

The COVID-19 pandemic has affected every aspect of business and life. The world may not be the same again with the lasting impact of pandemic. But, testing times bring out the best in mankind. The real need of the hour is to remain resilient to the continuously evolving situation while ensuring health, safety and wellness of our employees and all stakeholders.

As the world fights this situation collectively, we at K I C Metaliks Limited, are responding to this unprecedented disruption with our commitment and unwavering focus to serve our customers in an efficient, effective and sustainable manner. We accorded health and safety as the top most priority of all our staff and workers. Appropriate actions were taken at each step to ensure safety and security of our team in the best possible way including adoption of remote work. We resumed partial manufacturing operations after approximately 40 days of temporary closure of the plant due to the pandemic. We diligently followed the SOPs laid down by the Government to run the plant.



### Silver Lining

The Iron and Steel industry witnessed headwinds towards the end of the year owing to COVID-19 induced supply chain disruptions, falling global crude oil prices and deferred projects. While there were multiple clusters of large outbreak in urban areas, rural India despite lacking in basic infrastructure and healthcare facilities were relatively been less impacted. Clearly urban city planners now have a daunting task of decongesting large cities and take infrastructure development to the outskirts, satellite towns, and semi urban centers. The industry too will have to shift its priorities and be more rural-centric.

However, given the strong Government impetus on infrastructure sector and wide enduser application, the industry displays positive outlook in the future. The central government also launched 'Garib Kalyan Rozgar Abhiyaan' to expedite implementation of 25 public infrastructure works and those related to augmentation of livelihood opportunities. These 25 works are related to rural housing for the poor, plantations, provision of drinking water through 'Jal Jeevan Mission' and construction of panchayat bhavans, community toilets, rural mandis, rural roads, cattle sheds and anganwadi bhavans. The scheme was launched to facilitate income under the hands of rural labourers following loss of employment in urban centres due to the nationwide lockdown to combat the spread of COVID-19. The central plans to launch more job generating schemes and lay it focus on rural India which sounds well for the overall economic & infrastructure development thereby benefitting the iron & steel industry in the coming days.

### Active and adaptive

Just like the strength of a tree is known by its firm roots, an organisation's strength lies in its foundation. Over the last decade, we have emerged as the leaders in Pig Iron production. We continued to invest aggressively into integration and expansion of our manufacturing capacities. Our expansions and modernisation projects which were expected to be commissioned by March 2020 were deferred due to lockdown owing to COVID-19 pandemic. However, these projects are expected to be commissioned by the Second quarter of the financial year 2020-21. With an upbeat mood, I am confident to state that once the projects are in place it would reflect in a robust topline and bottomline of our Company.

### Risk mitigation

Risks and uncertainties form an inherent aspect of any business. We have a robust governance and risk management framework to alleviate the risk at the time of its occurrence. It also helps in evaluating and analyzing various factors of volatility pertaining to our business. This approach of understanding and evaluating the environment is a core value at K I C Metaliks Ltd. It helps underpin our

However, given the strong Government impetus on infrastructure sector and wide enduser application, the industry displays positive outlook in the future.

plans and strategies and empowers us to make better and well-informed choices in terms of decisions.

### Outlook

In adversity lies opportunity and as we navigate through the crisis and 'believe' on the core of our operation, we are quite optimistic to see opportunities generating in the near term. I remain confident that we are well positioned with appropriate strategies and resources to continue delivering value to all the stakeholders and contributing to the broader vision of growth. We will continue to emphasize on increasing utilization levels and growing the market share of our business. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the FY21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. **But effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the FY2021.**

Strengthened with financial prudence, robust governance along with aspiring innovations, we are well placed to address all challenges and materialise opportunities. We are well-equipped with all the competencies to satisfy our customers and together, will mutually help businesses revive and maintain our market share.

### Believe on oneself

Believe you can, and you are half way there. With a dedicated belief on our robust operations, singular product focus and sustain every downturn as an opportunity, I take this opportunity to acknowledge and thank our employees for their dedication, commitment and contributions which have enabled us to achieve the results. I also thank our customers, vendors, bankers, Central and State Government and all other stakeholders for their undeterred confidence, trust and support. I thank all our colleagues for their guidance during the year.

As I conclude, I would like to place on record appreciation for all the efforts taken by the COVID warriors for bravely fighting this pandemic. I urge everyone to stay safe, take care and continue to follow all precautionary measures.

With warm regards

**Radhye Shyam Jalan**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**CHAIRMAN AND  
MANAGING DIRECTOR**  
Mr. Radhey Shyam Jalan

**INDEPENDENT DIRECTOR**  
Mr. Suresh Kumar Singhal  
Mr. Laxmi Narayan Sharma  
Mrs. Manjula Poddar

**DIRECTOR FINANCE & CFO\***  
Mr. Mukesh Bengani

**DIRECTOR\***  
Mr. Kanhaiyalal Didwania

**COMPANY SECRETARY**  
Mrs. Ruchika Fogla

**STATUTORY AUDITORS**  
M/s. B. N. Agrawal & Co.  
Chartered Accountants  
1, Old Court House Corner,  
Room No. 511, 5<sup>th</sup> Floor  
Tobacco House, Kolkata- 700 001  
West Bengal, India

**BANKERS**  
State Bank of India  
YES Bank Limited

### REGISTERED OFFICE

“Sir RNM House”  
3B, Lal Bazar Street, 4<sup>th</sup> 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 43345

### 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**

*\*Appointed on August 25, 2020*







## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 33<sup>RD</sup> ANNUAL GENERAL MEETING of the Members of **K I C METALIKS LIMITED** will be held on **Tuesday, September 29, 2020 at 10.30 a.m. (IST)** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business:

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of **Mr. Radhey Shyam Jalan (DIN: 00578800)** who retires by rotation and being eligible offers himself for re-appointment.

### AS SPECIAL BUSINESS:

3. **To approve appointment of Mr Mukesh Bengani as a Whole-time Director designated as Director Finance and Chief Financial Officer of the Company and fixing his remuneration:**

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 (Act), the Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), also read with the Articles of Association of the Company, the recommendations and/ or approvals of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company (Board) and subject to such other approval(s) as may be required, approval of the Members of the Company be and is hereby accorded to the appointment of Mr. Mukesh Bengani (Mr. Bengani), as a Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer (with such other designation(s) as the Board may deem fit to confer upon him from time to time), liable to retire by rotation, for a period of 5 (five) consecutive years commencing from August 25, 2020 or till the date of expiry of the tenure of his services with the Company, whichever is earlier, on such terms and conditions together with the remuneration payable to him as contained in the Agreement executed by and between Mr. Bengani and the Company, salient features of which are provided in the Explanatory Statement under Section 102 of the Act as annexed to this Notice, with liberty to the Board to vary the terms and conditions of the said appointment including remuneration within the overall limits of Section 197 of the Act, as may be mutually agreed with Mr. Bengani from time to time."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

4. **To approve appointment of Mr. Kanhaiyalal Didwania (DIN : 07746160) as a Director of the Company:**

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 Mr. Kanhaiyalal Didwania, who was appointed as an Additional Director of the Company w.e.f. August 25, 2020 by the Board of Directors of the Company (Board) and holds office up to the date of this Annual General Meeting under Section 161 of the Act, and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed as an Director of the Company for a term of five years commencing August 25, 2020 to August 24, 2025."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

## NOTICE OF ANNUAL GENERAL MEETING

### 5. Ratification of the remuneration of the Cost Auditors (Firm Registration No. 101919) of the Company for the financial year 2020-21:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 25,000 plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to M/s. Patangi & Co., Cost Accountants, (Firm Registration No. 101919), who were appointed by the Board of Directors of the Company (Board) as Cost Auditors of the Company to audit the cost records for the financial year 2020-21."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution."

#### Registered Office:

"Sir RNM House",  
3B, Lal Bazar Street,  
4<sup>th</sup> Floor, Room No. 2,  
Kolkata – 700 001  
West Bengal, India

**Dated :** August 25, 2020

By Order of the Board  
For **KIC Metaliks Limited**

**Ruchika Fogla**  
Company Secretary  
Membership No. : A23339

#### IMPORTANT NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the Members at the meeting venue and that will be in compliance with the provisions of the Companies Act 2013 (Act). The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} vide Circular No. SEBVHO/CFD/CMBV/CIR/P/2020/79 dated May 12, 2020 (hereinafter called as SEBI Circular) extended relaxation to listed companies in view of Covid-19 pandemic from the Compliance of SEBI (LODR) Regulations, 2015 relating to conduct of Annual General Meeting through VC/OAVM, The AGM of the Company pursuant to aforesaid Circulars issued by MCA and SEBI, is being held through VC/OAVM from the Registered Office of the Company.
2. The Members can join the Annual General Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of commencement of the meeting (i.e. 12.30 p.m. IST) by following the procedure mentioned here in after under the head "instructions for Members for Attending AGM through VC/OAVM". The facility of participation at AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This does not include large Shareholders (i.e. holding 2 % or more shares) promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committees, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors, who are to attend AGM without restriction of first come first serve basis.
3. This AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with in line with aforesaid Circulars. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The facility of casting votes by a Member using remote e-voting system as well as at AGM will be provided by NSDL. The detail instructions for casting vote are mentioned hereinafter.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI etc.) are required to send scanned copy (PDF/ JPG format) of its Board or Governing Body Resolution /Authorization / Power of Attorney etc. (Authorization) authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to [kic.scrutinizer@gmail.com](mailto:kic.scrutinizer@gmail.com) with a copy marked to [evoting@nsdi.co.in](mailto:evoting@nsdi.co.in).



## NOTICE OF ANNUAL GENERAL MEETING

6. The Register of Members and Share Transfer Register of the Company will remain closed from **Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive)**.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from, April 7, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and to ease portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form as it facilitate easy liquidity. Change in particulars of shareholding such as bank details, address, loss of share certificates etc. Members can contact the Company's Registrars and Transfer Agents, **M/s. S .K. Infosolutions Pvt. Ltd.34/1A, Sudhir Chatterjee Street, Kolkata – 700 006** (R & T Agent) for assistance in this regard. The details various banks and agencies providing dematerialization of shares services are available on the website of NSDL and CDSL.
8. To support the Green Initiative, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with R & T Agent in case the shares are held by them in physical form.
9. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual Members. The Members who are holding shares in physical form and are desirous of availing this facility may kindly download the prescribed form (SH-13) from the Company's website and submit the same to R & T Agent at the address mentioned herein above in Note 7 Shareholders holding shares in dematerialized form, should write to their Depository Participant for this purpose.
10. Members who are holding shares in physical form are requested to notify changes, if any, pertaining to their name, postal address, email address, telephone or mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the R & T Agent at the address mentioned herein above in **Note 8** quoting their folio number along with requisite documents and Members holding shares in dematerialised form, should intimate request for such changes to their Depository Participant.
11. Members who are holding shares in identical order of names in more than one folios, are requested to write to the R & T Agent at the address mentioned hereinabove in **Note 8** to consolidate their holdings in one folio.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 25, 2020 from their registered email address, mentioning their name, DP ID and Client ID/Folio No. and mobile number on **companysecretary@kicmetaliks.com**. The same will be replied by the Company suitably in the meeting.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular (**referred in note no. 1**) Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website **www.kicmetaliks.com**, websites of the Stock Exchanges i.e., BSE Limited **www.bseindia.com** and on the website of NSDL **https://www.evotingnsdl.com**.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC/OAVM, the Route Map of the venue of AGM is not annexed in this Notice.
16. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under **Item No.3 to 5** above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under **Item Nos. 2, 3 and 4** pursuant to Regulations 36(3) of the SEBI (LODR) Regulations, 2015, and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are also annexed.
17. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM AREAS FOLLOWS:**
  - A. **PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:**
    - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (LODR) Regulations, 2015 (as amended) and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as remote e-voting during the AGM will be provided by NSDL.



## NOTICE OF ANNUAL GENERAL MEETING

- ii. Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date of Tuesday, September 22, 2020** may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. **Tuesday, September 22, 2020**, may obtain the User ID and Password by sending a request at **evoting@nsdl.co.in**.
- iii. **The remote e-voting period commences on Saturday, September 26, 2020 at 9.00 a.m. (IST) and ends on Monday, September 28, 2020 at 5.00 p.m. (IST).** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e. Tuesday, September 22, 2020.**
- iv. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolution(s) by remote e-voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- v. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

### **B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:**

- i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at **<https://www.evoting.nsdl.com>** under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company i.e. 113470 will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned below to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-voting system of NSDL.
- ii. Members may join the Meeting through Laptops, Smartphone's, Tablets and i Pads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at **[companysecretary@kicmetaliks.com](mailto:companysecretary@kicmetaliks.com)** between **September 21, 2020 (9:00 a.m. IST) through September 23, 2020 (5:00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- iv. Members who need assistance before or during the AGM, can contact NSDL on **evoting@nsdl.co.in /1800-222-990** or contact Mr. Amit Vishal, Senior Manager – NSDL at **[amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / 022-24994360** or Mr. Sanjeev Yadav, Assistant Manager – NSDL at **[sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in)/022-24994553**.



## NOTICE OF ANNUAL GENERAL MEETING

### C. THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/ DURING THE AGM :

The instructions for remote e-voting before the AGM are as under:

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon Login which is available under Shareholder section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. Ideas, you can log-in at <https://eservices.nsdl.com/> with your existing Ideas login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

#### Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

- a) For Members who hold shares in demat account with NSDL
- b) For Members who hold shares in demat account with CDSL.
- c) For Members holding shares in Physical Form

#### Your User ID is

8 Character DP ID followed by 8 Digit Client ID  
For example, if your DP ID is IN300\*\*\* and Client Id 12\*\*\*\*\* then your user id IN300\*\*\*12\*\*\*\*\*.

16 Digit Beneficiary ID  
For example, if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*.

EVEN Number followed by Folio Number registered with the Company  
For example, if folio number is S1\*\*\*\*\* and EVEN is 113470 fully paid-up Ordinary Shares) then user ID is 113470 S1\*\*\*\*\*.

5. Your password details are given below:
  - (a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Open the e-mail sent to you by NSDL and open the attachment i.e. a pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your User ID and your initial password.
    - (ii) If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
  - a. Click on Forgot User Details / Password (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - b. Click on Physical User Reset Password (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

## NOTICE OF ANNUAL GENERAL MEETING

8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-voting will open.

### Step 2: Cast your vote electronically on NSDL e-voting system.

#### How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the Companies EVEN in which you are holding shares and whose voting cycle is in active status.
3. Select EVEN of the Company.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
6. Upon confirmation, the message 'Vote cast successfully' will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### The instructions for e-voting during the AGM are as under:

1. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting, since the Meeting is being held through VC/OAVM.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through e-voting system during the AGM.

#### General Guidelines for Shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the 'Forgot UserDetails/Password' or 'Physical User Reset Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries/grievances pertaining to remote e-voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions FAQs for Members and e-voting user manual for Members available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [pratikb@nsdl.co.in](mailto:pratikb@nsdl.co.in) or at telephone nos.: +91 22 2499 4360/4545/4738.

#### Other Instructions:

- i. The Board of Directors has appointed **Mr. Neha Yadav (Membership No. A36913) Practising Company Secretary**, as the Scrutinizer to scrutinize the remote e-voting process before and during the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM, and votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall counter sign the same.
- iii. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.kicmetaliks.com](http://www.kicmetaliks.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company are listed.





## NOTICE OF ANNUAL GENERAL MEETING

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

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

#### ITEM NO. 3

In compliance with the provisions of the Companies Act, 2013 (as amended) (Act) and the Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Articles of Association and Nomination and Remuneration Policy of the Company, the Board of Directors of the Company (Board) based on the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Audit Committee and subject to approval of the Members of the Company, has appointed Mr. Mukesh Bengani (Mr. Bengani) as a Whole-time Director of the Company, liable to retire by rotation, for a period of 5 (five) consecutive years commencing from August 25, 2020 upto August 24, 2025 or till the date of expiry of the tenure of his service with the Company, whichever is earlier.

Mr. Bengani is a Chartered Accountant and has graduated with B.Com (Honours) and is aged about 42 years. He has been with K I C for more than a decade and that also in a senior management position as Chief financial Officer of the Company and is heading the finance department since he has joined the Company.

In terms of the provisions of the Act, Mr. Bengani has filed requisite consent(s) and disclosures before the Board. The Company has also received an intimation from Mr. Bengani in Form DIR - 8 to the effect that he is not disqualified and further confirming that he is not debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be appointed as a Director in any company.

Necessary information in terms of Regulation 36(3) of the Listing Regulations and SS-2 issued by the ICSI, relating to Mr. Bengani has been provided is Annexure to this Notice.

The Company has received a Notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr. Bengani, as a Director of the Company.

The main terms and conditions relating to the appointment and terms of remuneration Mr. Bengani Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer are as follows:

#### A. Period :

For a period of 5 years i.e. from August 25, 2020 to August 24, 2025.

#### B. Nature of Duties :

He is appointed as Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer and shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries including performing duties as assigned to from time to time by serving on the boards of such associated Companies and/or subsidiaries or any other Executive body or any committee of such a Company.

#### C. Salary & Perquisites :

a)	Basic Salary	:	₹ 47,500 per month
b)	H.R.A	:	₹ 19,000 per month
c)	Transport allowance	:	₹ 9,500 per month
d)	Other allowance	:	₹ 12,300 per month
	<b>Total</b>	:	<b>₹ 88,300 per month</b>

e) Medical and LTA allowance will be as per the Company rules.

f) Annual Bonus will be as per the Company rules.

#### D. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Bengani, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, Bonus/Performance Linked Incentive, Long-Term Incentive as approved by the Board.

## NOTICE OF ANNUAL GENERAL MEETING

### E. Other Terms of Appointment :

- (i) The Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of the appointment of the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer, subject to such approvals as may be required.
- (iii) The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party one months' notice of such termination or the Company paying one months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.
- (iv) The employment of the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer may be terminated by the Company without notice or payment in lieu of notice :
  - a. if the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer of any of the stipulations contained in the Agreement; or
  - c. in the event the Board expresses its loss of confidence in the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer.
- (v) No sitting fees will be paid to the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer for attending meeting of the Board of Directors or any committee thereof. Total remuneration of Mr. Bengani in any financial year shall not exceed 5% of the net profits of the Company during that year.
- (vi) In the event the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vii) Upon the termination by whatever means of Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer employment under the Agreement:
  - a. He shall immediately cease to hold offices held by him in any holding Company, subsidiaries or associate Companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - b. He shall not, without the consent of the Board and at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated Companies.
- (viii) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer unless specifically provided otherwise.
- (ix) If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Bengani will cease to be the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer. If at any time, Mr. Bengani ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer and this Agreement shall forthwith terminate. If at any time, the Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer of the Company.
- (x) The terms and conditions of appointment of Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer also include clauses pertaining to adherence to the K I C Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality.



## NOTICE OF ANNUAL GENERAL MEETING

Documents referred to in this Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at [companysecretary@kicmetaliks.com](mailto:companysecretary@kicmetaliks.com) from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Bengani, to whom the resolution relates, is concerned or interested financially or otherwise in the resolution set out at Item No. 3 of the Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and Remuneration Committee, approval of the Members is sought for the appointment and terms of remuneration of Mr. Bengani as Whole-time Director of the Company, designated as Director Finance and Chief Financial Officer as set out above.

The Board recommends the resolution set forth in Item No. 3 of the Notice for approval of the Members.

### ITEM NO. 4

Mr. Kanhaiyalal Didwania (Mr. Didwania) is a Finance graduate with experience of more than a decade in the field of the logistic, legal and statutory matters.

The Board, upon the recommendation of the Nomination and Remuneration Committee of the Board, at its meeting held on August 25, 2020, appointed Mr. Didwania as an Additional (Non-Executive and Non Independent) Director of the Company, effective August 25, 2020. Pursuant to the provisions of Section 161 of the Act, Mr. Didwania will hold office upto the date of the ensuing Annual General Meeting and is eligible to be appointed as a Director of the Company and liable to retire by rotation. The Company has, in terms of Section 160 of the Act, received in writing, a notice from a member along with a requisite deposit of ₹ 1,00,000/- proposing the candidature of Mr. Didwania for the office of Director. The Company has received from Mr. Didwania (i) consent in writing to act as a Director in Form DIR - 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR- 8 in terms of the Companies (Appointment and Qualification of Directors), Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority.

The profile and specific areas of expertise of Mr. Didwania are provided as an annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives excepted Mr. Didwania is concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 of the Notice for approval of the Members.

### ITEM NO. 5

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. Patangi & Co., Cost Auditors to audit cost records of the Company for the financial year 2020-21 at a remuneration of ₹ 25,000/-, excluding applicable taxes and out of pocket expenses, if any.

As per Section 148 of the Companies Act, 2013 the remuneration payable as above is to be ratified by the Members. Accordingly, the consent of the Members is sought for passing the said resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 of the Notice for approval of the Members.

### Registered Office:

“Sir RNM House”,  
3B, Lal Bazar Street,  
4<sup>th</sup> Floor, Room No. 2,  
Kolkata – 700 001  
West Bengal, India  
**Dated : August 25, 2020**

By Order of the Board  
For **K I C Metaliks Limited**

**Ruchika Fogla**  
Company Secretary  
Membership No. : A23339



## NOTICE OF ANNUAL GENERAL MEETING

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE 33<sup>RD</sup> ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015]

Name of Director(s)	Mr. Radhey Shyam Jalan	Mr. Mukesh Bengani	Mr. Kanhaiyalal Didwania
Date of Birth	23.06.1980	2.12.1979	14.05.1975
Qualifications	B. Com (Honours), Chartered Accountant	B. Com (Honours), Chartered Accountant	B. Com (Honours)
Date of Appointment	16.01.2009	25.08.2020	25.08.2020
Expertise in specific functional areas	Management, Finance and Business administration	Finance, Accounts, Taxation, Costing, Regulatory Compliance, Strategic Planning, Experience in Manufacturing Sector accounting.	logistic, legal and statutory matters
List of other Public Companies in which Directorship held (excluding in Foreign Companies)	None	None	None
Chairman/Members of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in Foreign Companies)	None	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	K I C Metaliks Limited Karni Syntex Private Limited	Nil	Nil
Relationship between Directors, Manager and other Key Managerial Personnel inter-se	Nil	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil
Attendance at Board meetings in financial year 2019-20	Mr. Jalan attended all Board Meetings in financial year 2019-20	Mr. Bengani attended all Board Meetings in financial year 2019-20 in capacity of Chief Financial Officer	NA



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report on the affairs of the Company together with the Statement of Accounts for the financial year 2019-20. The summarised financial highlights for the financial year vis-a-vis the previous year are as follows:

### 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated
	2019-20	2018-19	2019-20
Revenue from operations	49,606.77	84,884.20	49,606.77
Profit before Finance Cost, depreciation and taxes	3,237.25	6,140.83	3,234.87
Less:- Finance Cost	925.22	715.04	925.22
Depreciation and amortization	754.85	771.00	754.85
Profit Before Taxation	1,557.18	4,654.79	1,554.80
Provision for Taxation	731.94	1,480.97	731.94
Profit After Tax for the year	825.24	3,173.82	822.86
Other Comprehensive Income (net of tax)	(7.85)	(4.51)	(7.85)
Total Comprehensive Income for the year	817.39	3,169.31	815.01

Note : The Company has formed a wholly Owned Subsidiary Company in the name of KIC Minerals Private Limited on November 15, 2019. As such corresponding figure for previous year is not applicable for consolidated result.

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

The Standalone Gross Revenue from operations for FY 2019-20 was ₹ 49,606.77 Lakhs (Previous Year: ₹ 84,884.20 Lakhs) registering a negative growth of 41.56 %. The Operating Profit stood at ₹ 3,237.25 Lakhs as against ₹ 6,140.83 Lakhs in the Previous Year. The Net Profit for the year stood at ₹ 825.24 Lakhs against ₹ 3,173.82 Lakhs reported in the corresponding previous year. The negative growth of revenue, operating profit and net profit were primarily due to depressed market of pig iron combined with lower price realisations.

### 3. EXPANSION AND MODERNISATION

Thrust of the Company was cost reduction and expansions. To achieve this the Company undertook expansion projects namely the setting up of Pulverized Coal Injection (PCI) system along with Oxygen and Nitrogen Gas Plant at the existing MBF site and also a second 25 m2 Annular Sinter Plant. Due to this production capacity of exiting MBF will increase from 1,65,000 MT per annum to 2,35,000 MT per annum. These projects are expected to be commissioned by end of Q2 of FY 2020-21.

### 4. 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 2019-20.

### 5. EMERGENCE OF COVID-19

In the month of March 2020 the Government of India and State Government authorities have declared nationwide complete lockdown, in the view of spread of pandemic COVID-19, from March 24, 2020. The Company's manufacturing operations were impacted as a consequence of such lockdown. In spite of partial withdrawal of lockdown, the ongoing restrictions by the Government Authorities to contain the pandemic, continued to impact normal productions and caused disruption in supply chain. Since there is a significant uncertainty with respect to complete opening of the economy, it is difficult to ascertain the extent of impact of COVID-19 on performance of the Company in FY 2020-21.

## DIRECTORS' REPORT

However the Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facilities operate smoothly

### 6. RESERVE

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

### 7. SHARE CAPITAL

During the financial year 2019-20, there was no change in the issued and subscribed capital of your Company.

### 8. CHANGE IN NATURE OF BUSINESS

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

### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### 9.1. 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.

#### 9.2. Appointment

During the financial year 2019-20 there has been no change in the Board of Directors of your Company.

#### 9.2.1. 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.

#### 9.3. 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.

#### 9.4. Meetings of the Board

As required under Section 134 of the Companies Act, 2013 the Board of Directors met 4 (four) times during the financial year 2019-20, 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.





## DIRECTORS' REPORT

### 9.5. 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.

### 10. 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.

### 11. 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 March 31, 2020 is given in the Corporate Governance Report.

### 12. 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.

### 13. 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.

### 14. AUDITORS AND AUDITORS' REPORT

#### 14.1. Statutory Auditors

M/s. B. N. Agrawal & Co., Chartered Accountants (Firm Registration No. 320312E) were appointed as Statutory Auditors of your Company for a term of five years from the conclusion of the 30<sup>th</sup> Annual General Meeting until the conclusion of the 35<sup>th</sup> Annual General Meeting to be held in the year 2022.

The Statutory Auditor's Report for the financial year 2019-20 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

#### 14.2. 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 2020-21 in its meeting held on July 30, 2020. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Cost Audit Report for the financial year 2018-19 was filed within due date.

## DIRECTORS' REPORT

### 14.3. 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. B G Lahoti & Associates, Practicing Company Secretaries (Membership No. 37056) 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.

### 14.4. 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.

### 15. REPORTING OF FRAUD

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

### 16. 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.

### 17. 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>.

### 18. 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>.

### 19. 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.

### 20. 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.



## DIRECTORS' REPORT

### 21. FINANCE

#### 21.1. 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.

#### 21.2. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The Company has not given any loan or guarantee covered under Section 186 of the Companies Act, 2013, during the year under the review. However your Company has invested in its Wholly Owned Subsidiary Company within the limit of Section 186 of the Companies Act, 2013.

#### 21.3. Contracts and arrangements with related parties

During the financial year ended March 31, 2020, 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 2019-20. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015.

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 Committee and the Board of Directors, as required under the SEBI (LODR) Regulation, 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 2019-20, except those reported in the financial statements. Necessary disclosures required under the Ind AS 24 have been made in **Note No. 35** of the Notes to the financial statements for the year ended March 31, 2020.

#### 21.4. 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.

#### 21.5. 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.

### 22. 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.



## DIRECTORS' REPORT

### 23. 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 a sustainable leadership in its production unit through focus on zero waste to landfill, use of renewable energy and rain water harvesting, etc..

During the year under review, the Company spent ₹ 4.32 lakhs on CSR activities on projects qualifying under Section 135 of the Act, duly approved by the CSR Committee of the Company. Salient features of the CSR Policy and details of activities undertaken as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in 'Annexure – G' which form 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>.

### 24. 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 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 March 31, 2020, 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 2019-20 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.

### 25. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS AND ITS PERFORMANCE

K I C Metaliks Limited has formed a wholly Owned Subsidiary Company in the name of KIC Minerals Private Limited on November 15, 2019.

The Consolidated Gross Revenue from operations for FY 2019-20 was ₹ 49,606.77 Lakhs and Consolidated Profit after tax stood at ₹ 822.86 Lakhs.

The Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report. The Statement containing salient features of the financial statement of subsidiary of the Company pursuant to first proviso to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014 is provided as 'Annexure – H' to this Report.



## DIRECTORS' REPORT

### 26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company had no employee during the financial year ended March 31, 2020, 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 2019-20 :**

Sl. No.	Name of Directors/KMP and Designation	Remuneration for financial year 2019-20 (₹ in Lakhs)	% increase in remuneration in the financial year 2019-20	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Chairman and Managing Director)	74.70	19.68 %	43.89 x
2.	<b>Mr. Suresh Kumar Singhal</b> DIN : 00058501 (Non - Executive, Independent Director)	-	-	-
3.	<b>Mr. Laxmi Narayan Sharma</b> DIN : 00356855 (Non - Executive, Independent Director)	-	-	-
4.	<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non - Executive, Independent Director)	-	-	-
5.	<b>Mr. Mukesh Bengani</b> (Chief Financial Officer)	11.92	2.33 %	7.01 x
6.	<b>Mrs. Ruchika Fogla</b> (Company Secretary)	2.82	- 1.83 %	1.66 x

ii) The median remuneration of employees of the Company during the financial year 2019-20 was ₹ 1.70 Lakhs.

iii) In the financial year 2019-20, there was a decrease of 5.56 % in the median remuneration of employees.

iv) There were 299 permanent employees on the rolls of Company as on March 31, 2020.

v) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the financial year under review i.e. 2019-20 was 6.36 % whereas the increase in the managerial remuneration for the same period was 16.69 %.

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 - I' to this Report.

## DIRECTORS' REPORT

### 27. 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.

### 28. 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. However the impact of the pandemic COVID-19 on the operations and financial position of the Company is mentioned in **Point No. 5** and form part of this Report.

### 29. AWARDS AND ACCOLADES

Your Directors are happy to report that during the year under review, your Company was awarded the Fastest Growing Company (Turnover between INR 301 Crore and INR 1000 Crore) in the Economic Times Bengal Corporate Awards 2020. The award was given by Mr. Piyush Goyal, honorable Minister of Railways and Commerce & Industry and Mr. Babul Supriyo, honorable Minister of State for Environment, Forest and Climate Change in the Union Council of Ministers to Mr. Radhey Shyam Jalan, Chairman and Managing Director of the Company..

### 30. 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.

### 31. 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 shareholders, bankers, regulatory bodies, clients and other business constituents for their continued co-operation and support received.



## DIRECTORS' REPORT

### 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	Statement containing salient features of the financial statement of subsidiary Company in Form AOC – 1.
I	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 : August 25, 2020



## '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 March 31, 2020.

#### 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 :

- Introduced transparent sheet on the roof for natural illumination.
- Innovation and improvement of the existing capacitor bank for MBF.
- Met Coke storage area covered and an RCC yard made for the same.
- Your Company believes in saving power in every way it can. The process of introducing LED lights in place of sodium vapour lights is intensified and a large area of the plant has been covered under this programme.

- (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	2019-20	2018-19
1.	Foreign Exchange earned in terms of Actual Inflows	Nil	Nil
2.	Foreign Exchange used in terms of Actual Outflows	7,545.86	11,076

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : August 25, 2020



## '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 March 31, 2020 :

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 four 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 2019-20 :

Sl. No.	Date of Meetings	Total No. of Directors	No. of Directors present
1	May 28, 2019	4	4
2	August 14, 2019	4	3
3	November 13, 2019	4	4
4	February 13, 2020	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 <sup>a</sup>		No. of other Committee membership held <sup>b</sup>	
			As Director	As Chairman	As Member	As Chairman
<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Executive, Chairman and Managing Director)	4	Yes	Nil	Nil	Nil	Nil
<b>Mr. Suresh Kumar Singhal</b> DIN : 00058501 (Non-Executive, Independent Director)	3	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 <sup>a</sup>		No. of other Committee membership held <sup>b</sup>	
			As Director	As Chairman	As Member	As Chairman
<b>Mr. Laxmi Narayan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	4	No	5 <sup>e</sup>	Nil	Nil	Nil
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	4	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.
- 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.

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 circulatory resolutions. The circulatory 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.



## 'ANNEXURE - B'

### to the Directors' Report

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 May 28, 2019, 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.

#### 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.



## 'ANNEXURE - B'

### to the Directors' Report

- 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

- 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 September 24, 2019. 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.
- 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;
- 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.

- The Audit Committee met 4 (four) times during the financial year 2019-20 i.e. on May 28, 2019; August 14, 2019; November 13, 2019 and February 13, 2020 and not more than four months have elapsed between two meetings.



## 'ANNEXURE - B'

to the Directors' Report

- d) The composition of the Audit Committee as on March 31, 2020 and attendance at the meetings of the Committee during financial year 2019-20 is as under :

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

- 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 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 2019-20 on May 28, 2020.
- b) The composition of the Nomination and Remuneration Committee as on March 31, 2020 and attendance at the meetings of the Committee during financial year 2019-20 is as under :

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

## 'ANNEXURE - B'

### to the Directors' Report

- 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>
- e) **The details of remuneration paid to the Executive and Non- Executive Directors during the financial year 2019- 20, are as follows :**
- i) **Executive Directors :**

Name and Category of the Director	Salary including Benefits/ Allowances, etc. (₹)	Period of Contract	
		From	To
<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Executive Chairman and Managing Director)	74,70,000	4.11.2019	3.11.2022
<b>Total</b>	<b>74,70,000</b>		

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
<b>Mr. Laxmi Narayan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	20,000	Nil	Nil
<b>Mr. Suresh Kumar Singhal</b> DIN : 00058501 (Non-Executive, Independent Director)	15,000	Nil	Nil
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	20,000	Nil	Nil



## 'ANNEXURE - B'

### to the Directors' Report

#### 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 2019-20, the committee met 4 (Four) times on May 28, 2019; August 14, 2019; November 13, 2019 and February 13, 2020.

- b) The composition of the Stakeholders Relationship Committee as on March 31, 2020 and the attendance at the meetings of the Committee during the financial year 2019-20 is as under :

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

- 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, 4<sup>th</sup> 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](mailto:companysecretary@kicmetaliks.com)

- d) Shareholder/Investor Complaints received and redressed during financial year 2019-20 :

Particulars	Nos.
Number of complaints pending as on April 1, 2019	Nil
Number of complaints received during April 1, 2019 to March 31, 2020	4
Number of complaints disposed off during the year ended on March 31, 2020	4
Number of complaints pending as on March 31, 2020	Nil



## 'ANNEXURE - B'

### 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 is same as prescribed in Section 135 of the Act and the Rules framed thereunder.

During the financial year 2019-20, the committee met 1 (One) time on May 28, 2019.

**The composition of the Corporate Social Responsibility Committee as on March 31, 2020 and the attendance at the meetings of the Committee during the financial year 2019-20 is as under :**

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

#### 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 March 31, 2020, 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 March 31, 2020 (**Note No. 35**) 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. 17** of the Directors' Report.



## 'ANNEXURE - B'

### to the Directors' Report

- d) The Policy for determining the material subsidiaries has been uploaded on the website of the Company at <http://kicmetaliks.com/wp-content/uploads/2020/09/materail-subsidiary.pdf>.
- e) Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors of the Company was ₹ 7.86 Lakhs. The firm of Statutory Auditors of the Company does not have any network firm/network entity of which the Statutory Auditors are a part as per confirmation obtained from it.
- f) Disclosure in relation to Sexual harassment of women at workplace (Prevention, prohibition and redressal) Act 2013 have been disclosed in **Point No. 19** of the Directors' Report.
- g) The Company has complied with all mandatory requirements of the SEBI (LODR) Regulations, 2015, relating to Corporate Governance from Regulations 17 to 27 and has also complied 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.

## 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.	32 <sup>nd</sup> Annual General Meeting of the year 2018-19	September 24, 2019	10:00 a.m.	"Kala Kunj" 48, Shakesperare Sarani, Kolkata 700 017, West Bengal, India
2.	31 <sup>st</sup> Annual General Meeting of the year 2017-18	September 26, 2018	10:00 a.m.	"Kala Kunj" 48, Shakesperare Sarani, Kolkata 700 017, West Bengal, India
3.	30 <sup>th</sup> Annual General Meeting of the year 2016-17	September 21, 2017	10:00 a.m.	"Rotary Sadan" (Shripati Singhanian 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
32 <sup>nd</sup> Annual General Meeting held on September 24, 2019	<b>One Special resolution was proposed and approved :</b> <ul style="list-style-type: none"> <li>• Re-appointment of Mr. Radhey Shyam Jalan (DIN: 00578800), as Chairman and Managing Director and payment of overall remuneration to him.</li> </ul>
31 <sup>st</sup> Annual General Meeting held on September 26, 2018	<b>Three Special resolution were proposed and approved :</b> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Alteration of the Capital Clause of the Memorandum of Association of the Company.</li> <li>• Alteration/Adoption of new set of Articles of Association of the Company as per Companies Act, 2013.</li> </ul>

## 'ANNEXURE - B'

to the Directors' Report

Member's Meeting	Business requiring Special Resolution
30 <sup>th</sup> Annual General Meeting held on September 21, 2017	<b>One Special resolution was proposed and approved :</b> <ul style="list-style-type: none"> <li>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</li> </ul>

**c) Details regarding resolutions passed through Postal Ballot during financial year 2019-20 :**

During the financial year 2019-20, 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 2019-20.

## 6. MEANS OF COMMUNICATION

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

## 7. GENERAL SHAREHOLDER INFORMATION

<b>a) AGM for Financial Year 2019-20 :</b>	
Date and Day	September 29, 2020 (Tuesday)
Time	10:30 a.m.
Venue	"Video Conferencing (VC) / Other Audio Visual Means (OAVM)"
<b>b) Financial Calendar (tentative and subject to change)</b>	
Financial reporting for the quarter ending 30th June, 2020	By end July, 2020
Financial reporting for the quarter ending 30th September, 2020	By end October, 2020
Financial reporting for the quarter ending 31st December, 2020	By end January, 2021
Financial reporting for the year ending 31st March, 2021	By end May, 2021
<b>c) Book Closure period</b>	From September 23, 2020 to September 29, 2020 (both days inclusive)
<b>d) Dividend Payment Date</b>	The Directors have not recommended any dividend for the financial year 2019 - 2020



## 'ANNEXURE - B'

### to the Directors' Report

e)	<b>Listing on Stock Exchange(s)</b> The Company's securities are currently listed at "BSE Limited"	Scrip Code – 513693 Scrip ID-KAJARIR
f)	<b>Listing &amp; Custodian Fees for the financial year 2019-20</b> The Company has paid the Listing Fees for the financial year 2019-20 to BSE Limited. The Company has also paid custodian fees for the financial year 2019-20 to National Securities Depository Limited and Central Depository Services (India) Limited	ISIN No. : INE 434C01027 Depository Connectivity : NSDL and CDSL

#### 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 2019-20 on BSE Limited

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of shares	BSE Sensex Close
April, 2019	102.90	72.00	72.20	26,052	39,031.55
May, 2019	78.70	52.05	62.00	41,224	39,714.20
June, 2019	69.50	55.00	60.90	43,490	39,394.64
July, 2019	65.85	47.00	57.95	11,751	37,481.12
August, 2019	57.85	40.05	44.80	42,434	37,332.79
September, 2019	59.75	44.80	48.00	13,91,332	38,667.33
October, 2019	54.00	41.00	44.70	51,674	40,129.05
November, 2019	48.00	40.00	42.05	23,502	40,793.81
December, 2019	44.50	24.10	44.50	14,39,943	41,253.74
January, 2020	48.95	40.55	47.15	65,060	40,723.49
February, 2020	51.00	38.70	40.35	29,613	38,297.29
March, 2020	43.75	27.00	30.00	9,359	29,468.49

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

Comparison of K I C Metaliks Limited Share 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 April 1, 2019 (open)	102.90	38,858.88
On March 31, 2020 (close)	30.00	29,468.49
% change	(-) 70.85	(-) 24.17

#### i) Registrar and Transfer Agent

For share related matters, Members are requested send their queries to 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 Fax : +91-33-2219-4815

E-mail : [contact@skcinfo.com](mailto:contact@skcinfo.com)/[skcdilip@gmail.com](mailto:skcdilip@gmail.com)

Website : [www.skcinfo.com](http://www.skcinfo.com)

## 'ANNEXURE - B'

### to the Directors' Report

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

#### 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 who had been delegated the authority to approve transfers. The Company Secretary addresses all the requests fortnightly.

#### k) Distribution of shareholding as on March 31, 2020 :

Range or Equity Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1387	71.24	3,21,531	0.91
501 - 1000	227	11.66	2,07,327	0.58
1001 - 2000	117	6.01	1,84,435	0.52
2001 - 3000	74	3.80	1,88,072	0.53
3001 - 4000	31	1.59	1,17,405	0.33
4001 - 5000	21	1.08	1,00,793	0.28
5001 - 10000	36	1.85	2,67,007	0.75
10001 - 50000	33	1.69	8,09,880	2.28
50001 - 100000	2	0.10	1,51,105	0.43
100001 and Above	19	0.98	3,31,48,445	93.39
<b>Total</b>	<b>1,947</b>	<b>100.00</b>	<b>3,54,96,000</b>	<b>100.00</b>

#### l) Category wise Shareholding as on March 31, 2020 :

Category of Members	No. of Holders	% of Holders	No. of Shares Held	% of Shares held
Promoters Holding	2	0.10	2,10,70,463	59.36
Non-Promoters Holding				
- Financial Institutions	-	-	-	-
- Bodies Corporate	71	3.65	1,11,84,568	31.51
- NRI and Foreign Company	22	1.13	54,898	0.15
Indian Public	1,852	95.12	31,86,071	8.98
<b>Total</b>	<b>1,947</b>	<b>100.00</b>	<b>3,54,96,000</b>	<b>100.00</b>

#### m) Dematerialisation of shares and liquidity as on March 31, 2020 :

Particulars of Shares	Equity Shares of ₹ 2/- each	
	Number of Shares	% of Total No. of Shares
<b>A. Dematerialised Form</b>		
a) NSDL	2,74,44,723	77.32
b) CDSL	76,72,507	21.62
<b>Sub Total</b>	<b>3,51,17,230</b>	<b>98.94</b>
<b>B. Physical Form</b>	<b>3,78,770</b>	<b>1.06</b>
<b>Total (A+B)</b>	<b>3,54,96,000</b>	<b>100.00</b>





## '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<br>Convertible Instruments, conversion date<br>and likely equity | Nil   |
| o) Plant Location - Pig Iron Plant  | Raturia, Angadpur, Durgapur - 713 215<br>West Bengal, India<br>Phone: +91-98749 43345   |
| p) Address for Correspondence   | <b>Registered Office :</b><br>"Sir RNM House", 3B, Lal Bazar Street,<br>4th Floor, Room No.2, Kolkata - 700 001<br>West Bengal, India<br>Phone : +91-33-2210-3301<br>Fax : +91-33-4001-9636<br>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 March 21, 2011 and No. 18/2011 dated April 29, 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](http://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 + 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 (LODR) Regulations, 2015. The Code aims at ensuring consistent standards of conduct and ethical business

## 'ANNEXURE - B'

### to the Directors' Report

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 March 31, 2020.

For **K I C METALIKS LIMITED**

**Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : August 25, 2020

### PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Stock Exchanges, along with the Annual Report to be filed by the Company. 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 2019-20 and will be sent to BSE.

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata

Dated : August 25, 2020

### CERTIFICATE BY PRACTISING COMPANY SECRETARY ON NON 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 **B G Lahoti & Associates**  
Practising Company Secretaries

**Mr. Beni Gopal Lahoti**

ACS No. : 37056

CP No. :14749

Place : Kolkata

Dated : July 27, 2020

## 'ANNEXURE - B'

to the Directors' Report

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of  
**K I C METALIKS LIMITED**  
3B, Lal Bazar Street,  
4<sup>th</sup> Floor, Room No. 2,  
Kolkata - 700001

I have examined the compliance of conditions of corporate governance by **K I C METALIKS LIMITED** for the financial year ended March 31, 2020, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2019 to March 31, 2020.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further 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.

**For B G Lahoti & Associates**  
Practising Company Secretaries

**Mr. Beni Gopal Lahoti**  
ACS No. : 37056  
CP No. :14749

Place : Kolkata  
Dated : July 27, 2020



## 'ANNEXURE - C'

### to the Directors' Report

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

##### A. ECONOMIC OVERVIEW - GLOBAL AND INDIAN

Global macro economic and financial landscape is witnessing unrivalled turmoil with Novel Coronavirus emerging as the biggest threat to economic growth since the 2008 financial crisis. The COVID-19 induced shock is extremely unconventional in terms of its size and uncertainty, with its impact dependent on hard to predict factors like systemic efficiency and intensity of social distancing measures, fallout of supply chain and financial market disruptions alongside societal responsiveness. While human mortality is rising continuously the world over, necessary measures to contain the pandemic are resulting in unparalleled economic costs as well, thereby making policy response to the crisis deeply challenging.

The COVID-19 pandemic has radically changed the prospects of the global economy for the short-, the medium- and potentially for the long-term. As per IMF's World Economic Outlook (WEO) (April 2020), the year 2020-21 is projected to experience the worst recession since the Great Depression, far worse than the Global Financial Crisis, with global growth contracting by 3 %.

The year 2019-20 started off with hope for the Indian economy with experts predicting the GDP growth in FY 2019-20 to be 6 -7 % but the economic growth slowly regressed on account of a lot of factors. The 2019 slowdown of Indian economy has been triggered by a mix of both internal as well as external factors such as synchronised global slowdown, demonetisation, poor implementation of GST, plummeting domestic automobile sales, flattening of core sector growth and declining investment in construction and infrastructure. High inflation, fuelled by rising crude prices, had also stoked the slowdown. On March 24, 2020, the Government of India under Prime Minister Narendra Modi ordered a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic in India.

Torn between saving lives and saving the economy, the government began to cautiously lift restrictions with a view to jumpstart the economy in May 2020 in stages and for some time, economic data was showing signs of a recovery in business activity. But as the lives-versus-economy dilemma enters a more critical stage, these signs are now waning. Even as the government clutches at straws in search of potential game changers, the gradual easing of lockdowns has sparked hope in some quarters. But what will come to the economy's rescue after the reopening relief fades, remains entirely uncertain. The pace and sequence of recovery from the crisis will largely depend on the efficacy of public health and fiscal measures, containing the spread of the virus, minimizing risks of reinfection, protecting jobs and income and restoring consumer confidence.

Absent quick breakthroughs in vaccine development and treatment, the post COVID-19 world will likely be vastly different. The possibility of a slow recovery and prolonged economic slump with rising poverty and inequality looms large. A modest rebound mostly recovering lost output is expected for 2021. Large fiscal deficits and high levels of public debt will pose significant challenges to the economy amid falling trade. Stronger development cooperation supporting efforts to contain the pandemic and extending economic and financial assistance to the sectors hardest hit by the crisis will remain critical for accelerating recovery and putting the Indian economy back on the trajectory of sustainable development.

##### B. IRON & STEEL - INDUSTRY STRUCTURE AND DEVELOPMENTS

The steel industry around the world is grappling with the effects of COVID-19. Your Company manufactures both Foundry grade and Steel grade pig iron and the developments in the iron and steel industry particularly the pig iron industry affect your Company at large.

Global crude steel production reached 1,870 million tonnes (MT) for the year 2019, up by 3.4 % compared to 2018. Crude steel production contracted in all regions in 2019 except in Asia and the Middle East. India's crude steel



## 'ANNEXURE - C'

### to the Directors' Report

production for 2019 was 111 MT, up by 1.8 % since 2018. India's share of global crude steel production decreased marginally from 6 per cent in 2018 to 5.9 % in 2019.

There was a slower than expected growth in the global steel industry in 2019 due to the continuing manufacturing recession in the developed countries but a further decline in global steel demand was observed in the first half of 2020 which is predictable due to the outbreak of pandemic COVID-19 in later March 2020.

In India the government implemented the most stringent nationwide lockdown measures, bringing industrial operations to a standstill. Construction activity was halted entirely at the end of March, and recovery is expected to remain subdued due to the slow migration of labourers. Further, supply chain disruptions coupled with slower demand recovery will hit the steel-using industries like the automotive and machinery sectors.

India's domestic steel industry is especially vulnerable to cheaper imports and demand fluctuation. The slump in domestic steel consumption and decrease in investment across sectors have affected the overall growth and profitability of the steel industry. Steel prices continued to decline during 2019 while the steel making raw material prices followed divergent trajectories in 2019, with prices of scrap and coking coal having declined, while iron ore prices remained comparatively volatile. Iron ore prices increased by approx. 32 % in 2019. The increase was concentrated during the first half of 2019. The combination of strong demand and weak supply pushed prices up more than 50 % from January 2019 to a momentary five-year high of USD 114.57 per tonne in July 2019 but the prices have since fallen back to USD 80 per tonne at the close of FY 2020-21.

The main consumer of pig iron i.e. the Indian auto industry has already been reeling under severe de-growth, and the pressure of disrupted supply chain only aggravated the situation. The pig iron output of India and International exports of pig iron declined in FY 2019-20 as it was anticipated that merchant pig iron volumes were driven to the internal needs of key suppliers. Battered by an unprecedented slowdown the Indian pig iron industry is desperately pinning hopes on the rest FY for a turnaround, banking on a host of new and upgraded model and projects. The industry hopes are also in line with the expectations that the economy would finally come out of the slump and fresh investment in power, railways, and water, coupled with renewed interest in the automobile sector is bound to bring in fresh demand for pig iron.

### C. OPPORTUNITIES AND THREATS

India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 and this demand would be supported by growth in domestic steel market which is expected to be fuelled by Government of India's 'National Steel Policy (NSP) 2017' and 'Atmanirbhar Bharat Abhiyan' which aims to make India more self-reliant and also to encourage the industry to reach global benchmarks. A rebound is also expected in the steel market and a hope of pick up in auto, construction and engineering sectors in second half of FY 2020-21 provides an opportunity for the pig iron industry and your Company in the form of robust demand. Further, the ongoing expansion and modernization projects of the Company which are due to be commissioned so on also provides an opportunity for a better operational and financial performance in the coming FY.

However, oversupply issues, suppressed prices and sluggish demand are the main threats looming over the iron and steel industry at large post the COVID-19 lockdown is lifted and a slow pick in the demand driving industries of pig iron like auto, construction and engineering can lead to a subdued demand situation. Volatile prices of major raw materials i.e. iron ore and met coke and non-availability of manpower currently can outweigh the opportunities.

### D. 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.



## 'ANNEXURE - C'

### to the Directors' Report

During the FY 2019-20 the Company recorded a profit after tax of ₹ 825.24 Lakhs (Previous Year: ₹ 3,173.82). The decrease is primarily on account of decline in realizations, lower deliveries and higher finance cost as compared to that of the previous year. The Basic EPS was ₹ 2.32 as compared to ₹ 8.94 in the financial year 2018-19 registering a decline of 74 % YoY.

Your Company has formed a wholly Owned Subsidiary Company in the name of KIC Minerals Private Limited on November 15, 2019. The Consolidated Gross Revenue from operations for FY 2019-20 was ₹ 49,606.77 Lakhs and Consolidated Profit after tax stood at ₹ 822.86 Lakhs.

#### KEY FINANCIAL RATIOS

Ratios	2019-20	2018-19	Change
Debtors Turnover	17.93	22.28	(-) 19.52 %
Inventory Turnover <sup>1</sup>	4.49	11.72	(-) 61.69 %
Interest Coverage ratio <sup>2</sup>	2.68	7.51	(-) 64.31 %
Current Ratio	1.02	1.00	2.00 %
Debt Equity Ratio	1.04	0.91	14.29 %
Operating Profit Margin (%)	5.00 %	6.33 %	(-) 21.01 %
Net Profit Margin (%) <sup>3</sup>	1.66 %	3.74 %	(-) 55.61 %
Return in Net Worth (%) <sup>3</sup>	7.49 %	31.13%	(-) 75.94 %

Note :

1. Due to lower turnover during FY 2019-20 inventory turnover have decreased.
2. Decrease in interest coverage ratio is primarily on account of lower operating profit of the Company.
3. The decreased is primarily attributable to lower operating profits during FY 2019-20.

#### E. 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.

#### F. OUTLOOK

According to the International Monetary Fund (IMF), the world economy will experience an even deeper recession in FY 2020-21. It will contract by 4.9 % in 2020-21. However, in FY 2021-22, it will have a "partial recovery", growing at 5.4 % while India's Gross Domestic Product will contract by 4.5 % during the said period.

With around 51 % of the urban population living in red zones, steel demand from the construction and real-estate sectors could take some time to return to the pre-COVID-19 levels, limiting the possibility of a steep rebound in domestic steel demand. In addition, slackness in demand, migration of labour, timely availability of raw materials, and liquidity/working capital availability remain some of the key challenges grappling the end-consumers of steel.

However the Indian economy is likely to bounce back in FY 2021-22 with a decent growth rate and the expansion projects as started by the Company during the FY 2019-20 to set up a Pulverized Coal Injection (PCI) system along with Oxygen and Nitrogen Gas Plant in the existing MBF, a second 25 m2 Annular Sinter Plant and increase in the production capacity of the existing MBF from 165,000 MT per annum to 235,000 MT per annum are also estimated

## 'ANNEXURE - C'

### to the Directors' Report

to be commissioned by Q2 of FY 2020-21. Thus your Company is hopeful that 2020-21 will be a better year for us and the steel and pig iron industry and is approaching it with optimism.

#### G. 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.

#### H. INDUSTRIAL RELATIONS AND HUMAN RESOURCES

Employees are the most valuable resource of your Company. Hence, it is extremely critical to ensure a strategic alignment of human resource practices to business priorities and objectives. They are the key strategic pillars which drive the business processes to attain the Company's Vision. Your Company endeavors to create and maintain a competent, engaged and socially sensitive workforce 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 March 31, 2020 was 299.

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**

DIN : 00578800

Chairman and Managing Director

Place : Kolkata  
Dated : August 25, 2020



## 'ANNEXURE - D'

to the Directors' Report

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

for the financial year ended on March 31, 2020

[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.	<b>CIN</b>	L01409WB1986PLC041169
2.	<b>Registration Date</b>	August 26, 1986
3.	<b>Name of the Company</b>	K I C Metaliks Limited
4.	<b>Category/Sub-Category of the Company</b>	Public Company/Limited by shares
5.	<b>Address of the Registered Office and contact details</b>	<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: <a href="mailto:info@kicmetaliks.com">info@kicmetaliks.com</a></p> <p>Website : <a href="http://www.kicmetaliks.com">www.kicmetaliks.com</a></p>
6.	<b>Whether listed Company (Yes/No)</b>	Yes
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<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 Fax : +91-33-2219-4815</p> <p>E-mail : <a href="mailto:skcdilip@gmail.com">skcdilip@gmail.com</a></p> <p>Website : <a href="http://www.skcinfo.com">www.skcinfo.com</a></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	73.19 %
2.	Coke and Coal	19101	24.51 %

## 'ANNEXURE - D'

### to the Directors' Report

#### 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.	<b>Karni Syntex Pvt. Ltd.</b> Om Tower, 32, J. L. Nehru Road, 3rd Floor, Room No. 302, Kolkata – 700 071 West Bengal, India	U51109WB1993PTC061138	Holding	58.28	2(46)
2.	<b>KIC Minerals Private Limited</b> 3B, Lal Bazar Street, 4th Floor, Room No. 2, Kolkata 700 001 West Bengal, India	U13209WB2019PTC234755	Subsidiary	100	2(87)

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

(i) Category-wise Share Holding :

Category of Shareholders	No. of shares held at the beginning of the year i.e. April 1, 2019				No. of shares held at the end of the year i.e. March 31, 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter and Promoter Group</b>									
<b>1. Indian</b>									
Individual/HUF	-	-	-	-	3,84,983	-	3,84,983	1.08-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total A(1)</b>	<b>2,06,85,480</b>	<b>0</b>	<b>2,06,85,480</b>	<b>58.28</b>	<b>2,10,70,463</b>	<b>0</b>	<b>2,10,70,463</b>	<b>59.36</b>	<b>0</b>
<b>2. Foreign</b>									
NRIs -Individuals	-	-	-	-	-	-	-	-	-
Other- Individuals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total A= A(1)+A(2)</b>	<b>2,06,85,480</b>	<b>0</b>	<b>2,06,85,480</b>	<b>58.28</b>	<b>2,10,70,463</b>	<b>0</b>	<b>2,10,70,463</b>	<b>59.36</b>	<b>0</b>





## 'ANNEXURE - D'

to the Directors' Report

Category of Shareholders	No. of shares held at the beginning of the year i.e. April 1, 2019				No. of shares held at the end of the year i.e. March 31, 2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Central Government(s)	-	-	-	-	-	-	-	-	-
State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total B(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>Bodies Corporate</b>									
i. Indian	1,21,94,156	18,000	1,22,12,156	34.40	1,11,66,568	18,000	1,11,84,568	31.51	-2.89
ii. Overseas	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
<b>Individuals</b>									
i. Individual holding nominal share capital upto` 1Lakh	13,97,260	4,42,270	18,39,530	5.18	15,57,645	3,59,770	19,17,415	5.40	0.22
ii. Individual holding nominal share capital in excess of` 1 Lakh	6,79,655	0	6,79,655	1.91	12,68,656	0	12,68,656	3.57	1.66
Others (specify)									
NRI's	78,179	0	78,179	0.22	53,898	0	53,898	0.15	(0.07)
<b>Sub-total B(2)</b>	<b>1,43,49,250</b>	<b>4,61,270</b>	<b>1,48,10,520</b>	<b>41.72</b>	<b>1,40,46,767</b>	<b>3,78,770</b>	<b>1,44,25,537</b>	<b>40.64</b>	<b>0</b>
<b>Total B=B(1)+ B(2)</b>	<b>1,43,49,250</b>	<b>4,61,270</b>	<b>1,48,10,520</b>	<b>41.72</b>	<b>1,40,46,767</b>	<b>3,78,770</b>	<b>1,44,25,537</b>	<b>40.64</b>	<b>0</b>
<b>C. Shares held by Custodian for</b>									
GDR's	-	-	-	-	-	-	-	-	-
ADR's	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3,50,34,730</b>	<b>4,61,270</b>	<b>3,54,96,000</b>	<b>100</b>	<b>3,51,17,230</b>	<b>3,78,770</b>	<b>3,54,96,000</b>	<b>100</b>	<b>Nil</b>

## 'ANNEXURE - D'

### to the Directors' Report

#### (ii) Shareholding of Promoters :

Sl. No.	Member's Name	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the year i.e. March 31, 2020			% 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
2.	Mr. Radhey Shyam Jalan	-	-	-	3,84,493	1.08	-	1.08
	<b>Total</b>	<b>2,06,85,480</b>	<b>58.28</b>	<b>20.00</b>	<b>2,10,70,463</b>	<b>59.36</b>	<b>20.00</b>	<b>1.08</b>

#### (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. April 1, 2019		Cumulative shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Karni Syntex Pvt. Ltd.</b>				
	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
2.	<b>Mr. Radhey Shyam Jalan</b>				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	December 12, 2019 (Purchase)			(+) 1,84,983	0.52
	December 13, 2019 (Purchase)			(+) 2,00,000	0.56
	At the end of the year			3,84,983	1.08

#### (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 Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Flamingo Overseas Pvt. Ltd.</b>				
	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.	<b>Maryada Barter Pvt. Ltd.</b>				
	At the beginning of the year	16,48,566	4.64	16,48,566	4.64



## 'ANNEXURE - D'

to the Directors' Report

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Date wise increase/decrease in shareholding during the year				
	November 1, 2019 (Sale)			(-) 15,566	0.04
	January 3, 2020 (Sale)			(-) 19,631	0.05
	January 10, 2020 (Sale)			(-) 1,207	0.00
	February 21, 2020 (Sale)			(-) 5,598	0.02
	<b>At the end of the year</b>		-	<b>16,06,564</b>	<b>4.53</b>
<b>3.</b>	<b>Prayash Securities Pvt. Ltd</b>				
	<b>At the beginning of the year</b>	<b>12,50,000</b>	<b>3.52</b>	<b>12,50,000</b>	<b>3.52</b>
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	<b>At the end of the year</b>			<b>12,50,000</b>	<b>3.52</b>
<b>4.</b>	<b>Pujam Sales &amp; Services Pvt. Ltd.</b>				
	<b>At the beginning of the year</b>	<b>12,47,500</b>	<b>3.52</b>	<b>12,47,500</b>	<b>3.52</b>
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	<b>At the end of the year</b>			<b>12,47,500</b>	<b>3.52</b>
<b>5.</b>	<b>Lily Abasan Pvt. Ltd.</b>				
	<b>At the beginning of the year</b>	<b>8,50,000</b>	<b>2.39</b>	<b>8,50,000</b>	<b>2.39</b>
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	<b>At the end of the year</b>			<b>8,50,000</b>	<b>2.39</b>
<b>6.</b>	<b>Saidham Mercantile Pvt. Ltd.</b>				
	<b>At the beginning of the year</b>	<b>8,21,480</b>	<b>2.39</b>	<b>8,21,480</b>	<b>2.39</b>
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	<b>At the end of the year</b>			<b>8,21,480</b>	<b>2.31</b>
<b>7.</b>	<b>ICM Finance Pvt Ltd</b>				
	<b>At the beginning of the year</b>	<b>7,82,500</b>	<b>2.20</b>	<b>7,82,500</b>	<b>2.20</b>
	Date wise increase/decrease in shareholding during the year				
	July 12, 2020 (Sale)			(-) 7,82,500	2.20
	<b>At the end of the year</b>			<b>0</b>	<b>0</b>
<b>8.</b>	<b>Gita Kirti Ambani</b>				
	<b>At the beginning of the year</b>	<b>5,54,655</b>	<b>1.56</b>	<b>5,54,655</b>	<b>1.56</b>
	Date wise increase/decrease in shareholding during the year	-	-	-	-
	<b>At the end of the year</b>			<b>5,54,655</b>	<b>1.56</b>
<b>9.</b>	<b>Ivory Consultants Private Limited</b>				
	<b>At the beginning of the year</b>	<b>4,75,000</b>	<b>1.39</b>	<b>4,75,000</b>	<b>1.34</b>
	Date wise increase/decrease in shareholding during the year				
	January 3, 2020 (Purchase)			(+) 371784	1.05
	<b>At the end of the year</b>			<b>8,46,784</b>	<b>2.39</b>

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to the Directors' Report

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. April 1, 2019		Cumulative shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	<b>Delight Grih Nirman Private Limited</b>				
	<b>At the beginning of the year</b>	<b>3,08,150</b>	<b>0.87</b>	<b>3,08,150</b>	<b>0.87</b>
	Date wise increase/decrease in shareholding during the year				
	April 26, 2019 (Sale)	-	-	(-) 298	0.00
	May 24, 2019 (Purchase)			(+) 5,525	0.01
	August 9, 2019 (Purchase)			(+) 1,096	0.00
	August 23, 2019 (Purchase)			(+) 1,970	0.01
	December 20, 2019 (Sale)			(-) 15,000	0.04
	<b>At the end of the year</b>			<b>3,01,443</b>	<b>0.85</b>
11.	<b>Saurabh Lakhota</b>				
	<b>At the beginning of the year</b>	<b>70,000</b>	<b>0.20</b>	<b>70,000</b>	<b>0.20</b>
	Date wise increase/decrease in shareholding during the year				
	August 30, 2019 (Purchase)			(+) 5,807	0.02
	September 6, 2019 (Purchase)			(+) 6,457	0.02
	September 13, 2019 (Purchase)			(+) 1,675	0.00
	September 27, 2019 (Purchase)			(+) 609	0.00
	October 4, 2019 (Purchase)			(+) 7,124	0.02
	October 11, 2019 (Purchase)			(+) 39,155	0.11
	October 18, 2019 (Purchase)			(+) 2,449	0.01
	October 25, 2019 (Purchase)			(+) 5,556	0.02
	November 1, 2019 (Purchase)			(+) 8,739	0.02
	November 9, 2019 (Purchase)			(+) 11,539	0.03
	November 15, 2019 (Purchase)			(+) 2,750	0.01
	November 22, 2019 (Purchase)			(+) 1,773	0.00
	November 29, 2019 (Purchase)			(+) 7,700	0.02
	December 13, 2019 (Purchase)			(+) 6,467	0.02
	December 20, 2019 (Purchase)			(+) 60,000	0.17
	December 27, 2019 (Purchase)			(+) 11,421	0.03
	January 3, 2020 (Purchase)			(+) 169	0.00
	January 10, 2020 (Purchase)			(+) 22,000	0.06
	January 24, 2020 (Purchase)			(+) 786	0.01
	January 31, 2020 (Purchase)			(+) 3,831	0.00
	February 7, 2020 (Purchase)			(+) 1,112	0.01
	February 14, 2020 (Purchase)			(+) 564	0.00
	February 21, 2020 (Purchase)			(+) 850	0.00
	February 28, 2020 (Purchase)			(+) 534	0.00
	March 6, 2020 (Purchase)			(+) 5,476	0.02
	March 13, 2020 (Purchase)			(+) 487	0.00
	March 20, 2020 (Purchase)			(+) 63	0.00
	<b>At the end of the year</b>			<b>2,87,093</b>	<b>0.81</b>
12.	<b>Ghanshyam T Bang</b>				
	<b>At the beginning of the year</b>	<b>5</b>	<b>0.00</b>	<b>5</b>	<b>0.00</b>
	Date wise increase/decrease in shareholding during the year				
	August 30, 2019 (Purchase)			(+) 2,75,810	0.78
	<b>At the end of the year</b>			<b>275815</b>	<b>0.78</b>



## 'ANNEXURE - D'

### 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. April 1, 2019		Cumulative shareholding during the year i.e. March 31, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Radhey Shyam Jalan</b> (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				
	December 12, 2019 (Purchase)			(+) 1,84,983.00	0.52
	December 13, 2019 (Purchase)			(+) 2,00,000.00	0.56
	At the end of the year			3,84,983	1.08
2.	<b>Mr. Suresh Kumar Singhal</b> (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
3.	<b>Mr. Laxmi Narayan Sharma</b> (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
4.	<b>Mrs. Manjula Poddar</b> (Independent Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
5.	<b>Mr. Mukesh Bengani</b> (Chief Financial Officer)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00
6.	<b>Mrs. Ruchika Fogla</b> (Company Secretary)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			0	0.00



## '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
<b>Indebtedness at the beginning of the financial year</b>				
(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	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>2,004.44</b>	<b>4,085.44</b>	<b>-</b>	<b>6,089.88</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	3,605.89	4,222.81	-	7,828.70
• Reduction	-	5,988.21	-	5988.12
<b>Net Change</b>	<b>3,605.89</b>	<b>(1,765.31)</b>	<b>-</b>	<b>1,840.58</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	5,610.33	2,250.00	-	7,860.33
(ii) Interest due but not paid	-	70.13	-	70.13
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>5,610.33</b>	<b>2,320.13</b>	<b>-</b>	<b>7,930.46</b>

### 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	74.70	74.70
	(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	-	-
	<b>Total (A)</b>	<b>74.70</b>	<b>74.70</b>
	<b>Overall Ceiling as per the Act</b>	₹ 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	
1.	Independent Directors	-	-	-	-
	(a) Fee for attending Board/Committee meetings	0.20	0.15	0.20	0.55
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.20</b>	<b>0.15</b>	<b>0.20</b>	<b>0.55</b>
2.	Other Non-Executive Directors	-	-	-	-
	(a) Fee for attending Board/Committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.20</b>	<b>0.15</b>	<b>0.20</b>	<b>0.55</b>
	<b>Total Managerial Remuneration</b>	<b>0.20</b>	<b>0.15</b>	<b>0.20</b>	<b>0.55</b>
	<b>Overall Ceiling as per the Act</b>	1% of the net profit of the Company calculated as per Section 198 of the Act.			

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

(₹ 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	11.92	2.82	14.74
	(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	-	-	-
	<b>Total</b>	<b>11.92</b>	<b>2.82</b>	<b>14.74</b>

#### 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
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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 : August 25, 2020

## 'ANNEXURE - E'

### to the Directors' Report

#### FORM NO. MR - 3

#### SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2020

[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]

I, Beni Gopal Lahoti, Proprietor of M/s. B G LAHOTI & ASSOCIATES, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. K I C METALIKS LIMITED [CIN: L01409WB1986PLC041169] (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing opinion thereon.

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 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 March 31, 2020, 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.

I hereby report that compliance with applicable laws is the responsibility of the company and my report constitutes an independent opinion. My report is neither an assurance for future viability of the company nor a confirmation of efficient management by the company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. K I C Metaliks Limited for the financial year ended on March 31, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied;
- 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 are not applicable during the Audit Period;
- 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, 1992;
  - c) 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;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;



## 'ANNEXURE - E'

### to the Directors' Report

Following Regulations and Guideline prescribed under the Provisions of the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are not applicable during the Audit Period;
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are not applicable during the Audit Period;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable during the Audit Period ;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 are not applicable during the Audit Period;
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 are not applicable during the Audit Period;
- vi) Reserve Bank of India Act 1934 and various directions issued by Reserve Bank of India, so far applicable to Non-Banking Financial Companies.
- vii) Other Laws applicable to the Company as per the representations made by the Company :
  - (i) Secretarial Standards with respect to the Board and general meetings issued by The Institute of Company Secretaries of India
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the laws applicable specifically to the Company.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notices were given to all Directors to schedule the Board Meetings, agenda along-with detailed notes and the same 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. Minutes of Committee meetings (as per the applicable provisions of the Act) were duly maintained.

Decisions at the Board Meetings, as represented by the management were taken unanimously.

We 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.

## 'ANNEXURE - E'

to the Directors' Report

We, further report that, to the best of my understanding, the Company during the year under report, had not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the Laws, rules, guidelines, standards, etc. referred to above.

This report is to be read with our letter on the even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

**For B G Lahoti & Associates**  
Practising Company Secretaries

**Mr. Beni Gopal Lahoti**

ACS No. : 37056

CP No. :14749

UDIN: A037056B000638241

Place : Howrah

Date : August 1, 2020



## '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

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

1. Maintenance of Secretarial record is the responsibility of the Management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I had followed the audit practices and processes 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. I believe that the processes and practices, followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required I have obtained the Management representations 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, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither as 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.
7. Physical Verification of Documents could not be done due to lockdown on account of "COVID-19."

**For B G Lahoti & Associates**  
Practising Company Secretaries

**Mr. Beni Gopal Lahoti**

ACS No. : 37056

CP No. :14749

UDIN: A037056B000638241

Place : Howrah  
Date : August 1, 2020



## 'ANNEXURE - F'

to the Directors' Report

### COMPLIANCE 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 2019-20 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**

**Radhe Shyam Jalan**

**Mukesh Bengani**

Chairman and Managing Director

Chief Financial Officer

DIN : 00578800

Place : Kolkata  
Dated : August 25, 2020



## '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.	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. 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 <a href="http://kicmetaliks.com/wp-content/uploads/2019/04/CSR-Policy-1.pdf">http://kicmetaliks.com/wp-content/uploads/2019/04/CSR-Policy-1.pdf</a>
2. The Composition of the CSR Committee	<ul style="list-style-type: none"> <li>• Mr. Laxmi Narayan Sharma (Chairman)</li> <li>• Mr. Suresh Kumar Singhal (Member)</li> <li>• Mrs. Manjula Poddar (Member)</li> </ul>
3. Average net profit of the Company for last three financial years	₹ 2,481.41 Lakhs
4. Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above)	₹ 49.63 Lakhs
5. Details of CSR spending during the financial year 2019-20 : (a) Total amount to be spent for the financial year 2019-20 (b) Amount spent (c) Amount unspent, if any; (d) Manner in which the amount spent during the financial year;	₹ 56.22 Lakhs ₹ 4.32 Lakhs ₹ 51.90 Lakhs 'Annexure A' to the CSR Report
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 : August 25, 2020

## '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	25 Lakhs	0.13	0.13	Implementing Agencies : • Thakurpukur Nawjawan Welfare Society*
2.	Promoting Education and safe Drinking water	Education and safe Drinking water	Local Area : Durgapur, West Bengal	15 Lakhs	3.66	3.79	Direct
3.	Promoting Health and Safety	Health and Safety	Local Area : Durgapur, West Bengal	25 Lakhs	0.53	4.32	Direct

#### Notes:

##### Details of Implementing Agencies

- \* Thakurpukur Nawjawan Welfare Society is a non-government and non-profit education organization working for upliftment of the local citizen in the field of education, health, sanitation and other welfare activities. 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 : August 25, 2020



## 'ANNEXURE - H'

### to the Directors' Report

#### FORM AOC-1

(Pursuant to first proviso to sub-section (3) Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

##### Part A Subsidiaries

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KIC Minerals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	5,00,000
5.	Reserves & surplus	₹ (-) 2,38,940
6.	Total assets	₹ 2,72,860
7.	Total Liabilities	₹ 2,72,860
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	₹ (-) 2,38,940
11.	Provision for taxation	Nil
12.	Proposed Dividend	Nil
13.	Extent of shareholding (in percentage)	100 %

a. Names of subsidiaries which are yet to commence operations: KIC Minerals Private Limited

b. Names of subsidiaries which have been liquidated or sold during the year: NIL

##### Part B

##### Associates and Joint Ventures

Not Applicable as there are no Associates and Joint Ventures

For and on behalf of the Board

**Radhey Shyam Jalan**

Chairman and Managing Director  
DIN : 00578800

**Mukesh Bengani**

Chief Financial Officer

**Ruchika Fogla**

Company Secretary  
Membership No. : A23339

**Laxmi Naryan Sharma**

Director  
DIN: 00356855

Place : Kolkata

Date : August 25, 2020

## 'ANNEXURE - I'

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	74,70,000	B. Com (H), Chartered Accountant	40	21	16.01.2009	Nil
2.	Arun Kumar Das	Sr. GM (Production & Operations)	24,99,566	BSC., Diploma (Metallurgy), PG (Production Management)	53	32	22.11.2018	Usha Martin Industries Ltd.
3.	Barun Kumar Singh	Head – Project & Business Development	24,43,7579	Metallurgical Engineer	55	30	01.04.2018	Usha Martin Industries Ltd.
4.	Manoj Prasad	DGM (Mechanical)	18,01,719	Diploma (Mechanical Engineering)	45	23	01.10.2011	Jai Balaji Industries Ltd.
5.	Naga Venkata Ramesh Dronavall	DGM (Operation)	16,28,572	Diploma ( Metallurgy)	49	26	19.01.2017	Atibir Industries Co. Ltd.
6.	Navaratan Chhajer	Commercial Manager	12,29,004	B.com, Chartered Accountant	54	32	10.12.1993	Woolworth India Ltd.
7.	Rama Shankar Singh	DGM - CPP	12,13,962	B – Tech (Electrical)	51	28	24.06.2017	Neo Metaliks Limited
8.	Mukesh Bengani	Chief Financial Officer	11,64,623	B. Com (H), Chartered Accountant	42	15	01.04.2009	ICICI Bank Ltd.
9.	Rahul Shawrikar	Senior Manager	9,04,036	B – Tech (Mechanical)	34	12	06.04.2019	Satbhana Steel Ltd.
10.	Supriya Banerjee	Manager (MBF/ Electrical)	8,83,757	Diploma (Electrical)	44	22	15.03.2007	Shivam Industries 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 March 31, 2020.
6. Total experience shown in Column G includes service with previous employers.

For and on behalf of the Board of Directors  
**Radhey Shyam Jalan**  
 DIN : 00578800  
 Chairman and Managing Director

Place : Kolkata  
 Dated : August 25, 2020



## 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 March 31, 2020, 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 for the year ended on that date.

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, 2020, 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.

#### **Emphasis of matter**

We draw attention to Note No. 40 of standalone Ind AS financial statement which describes the uncertainties and the impact of the COVID-19 pandemic on the company's operations and results as assessed by the management. The actual results may differ from such estimates depending on the future developments. Our opinion is not modified in respect of this matter.

#### **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



## INDEPENDENT

### Auditors' Report

of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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.

Materiality is the magnitude of misstatement in the financial statements, that individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our work and in evaluate the result of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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, 2020 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

Place : Kolkata  
Date : July 30, 2020

Membership No. : 055649  
UDIN : 20055649AAAAFG6388

## '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, 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 Companies Act, 2013 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, 2020, 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, 2020 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	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.
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.

**'ANNEXURE A'**

## to the Independent Auditors' Report

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  
UDIN : 20055649AAAAFG6388

Place : Kolkata  
Date : July 30, 2020

## '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 March 31, 2020 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 operate effectively as at March 31, 2020, 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  
UDIN : 20055649AAAAFG6388

Place : Kolkata  
Date : July 30, 2020



## STANDALONE BALANCE SHEET

as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	10,407.77	11,241.07
Capital work-in-progress	3	8,755.52	7,180.67
Right-of-use assets	4	110.55	-
Financial assets			
Investment	5	5.00	-
Other non current assets	6	38.29	14.94
<b>Total non current assets</b>		<b>19,317.13</b>	<b>18,436.68</b>
<b>Current assets</b>			
Inventories	7	13,733.05	8,340.95
Financial assets			
(i) Trade receivables	8	790.79	4,741.62
(ii) Cash and cash equivalents	9	462.21	307.06
(iii) Bank balances other than (ii) above	10	207.48	454.62
(iv) Others financial assets	11	48.86	51.12
Other current assets	12	5,417.89	5,019.72
<b>Total current assets</b>		<b>20,660.28</b>	<b>18,915.09</b>
<b>TOTAL ASSETS</b>		<b>39,977.41</b>	<b>37,351.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13	709.92	709.92
Other equity	14	10,302.41	9,485.02
<b>Total equity</b>		<b>11,012.33</b>	<b>10,194.94</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	7,164.33	6,815.88
Provisions	16	175.81	143.70
Deferred tax liabilities (Net)	31	1,444.85	1,277.54
<b>Total non current liabilities</b>		<b>8,784.99</b>	<b>8,237.12</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	3,452.94	2,476.69
(ii) Trade payables	18	11,843.73	12,747.85
(iii) Other financial liabilities	19	785.45	17.70
Others current liabilities	20	2,420.68	1,992.70
Provisions	21	1,677.29	1,684.77
<b>Total current liabilities</b>		<b>20,180.09</b>	<b>18,919.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,977.41</b>	<b>37,351.77</b>

See accompanying notes to the standalone 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 : July 30, 2020

**M. Bengani**  
Chief Financial Officer

**R. Fogla**  
Company Secretary  
Membership No. : A23339

**R. S. Jalan**

Chairman & Managing Director  
DIN : 00578800

**L. N. Sharma**  
Director  
DIN : 00356855

**STANDALONE STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>REVENUE</b>			
Revenue from operations	22	49,606.77	84,884.20
Other income	23	538.27	488.99
<b>Total income</b>		<b>50,145.04</b>	<b>85,373.19</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	30,303.39	48,068.62
Purchase of stock-in-trade	25	11,890.15	27,209.21
Changes in inventories of finished goods, stock in trade and work in progress	26	220.93	(365.79)
Employee benefit expenses	27	1,572.17	1,484.47
Finance costs	28	925.22	715.04
Depreciation and amortization expenses	29	754.85	771.00
Other expenses	30	2,921.15	2,835.85
<b>Total expenses</b>		<b>48,587.86</b>	<b>80,718.40</b>
<b>Profit before tax</b>		<b>1,557.18</b>	<b>4,654.79</b>
<b>Tax expense</b>			
(1) Current tax	31	560.41	1,116.88
(2) Deferred tax	31	171.53	364.09
<b>Total tax expenses</b>		<b>731.94</b>	<b>1,480.97</b>
<b>Profit after tax for the year</b>		<b>825.24</b>	<b>3,173.82</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit & loss:			
Remeasurement of retirement benefits plan		(12.07)	(6.94)
Income tax affect relating to above		4.22	2.43
<b>Other comprehensive income, net of tax</b>		<b>(7.85)</b>	<b>(4.51)</b>
<b>Total comprehensive income for the year</b>		<b>817.39</b>	<b>3,169.31</b>
Earnings per equity shares of par value of ₹ 2/- each			
-Basic ( In ₹)	32	2.32	8.94
-Diluted ( In ₹)	32	2.32	8.94

See accompanying notes to the standalone 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 : July 30, 2020

**M. Bengani**

Chief Financial Officer

**R. Fogla**

Company Secretary

Membership No. : A23339

**R. S. Jalan**

Chairman &amp; Managing Director

DIN: 00578800

**L. N. Sharma**

Director

DIN : 00356855

## STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(₹ in Lakhs)

### (a) Equity share capital

Particulars	Amount
Balance as at 31.03.2018	709.92
Changes in equity share capital during the year	-
Balance as at 31.03.2019	709.92
Changes in equity share capital during the year	-
Balance as at 31.03.2020	709.92

### (b) Other equity

For the year ended March 31, 2020

Particulars	Equity component of compound financial instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
Balance as at 01.04.2019	1,230.15	300.00	1,973.88	5,980.99	9,485.02
Profit for the year	-	-	-	825.24	825.24
Other comprehensive income	-	-	-	(7.85)	(7.85)
Balance as at 31.03.2020	1,230.15	300.00	1,973.88	6,798.38	10,302.41

For the year ended March 31, 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

See accompanying notes to the standalone 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

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

**B. N. Agarwal**  
Partner  
Membership No. 055649  
Place : Kolkata  
Dated : July 30, 2020

**M. Bengani**  
Chief Financial Officer

**R. Fogla**  
Company Secretary  
Membership No. : A23339

**L. N. Sharma**  
Director  
DIN : 00356855

**STANDALONE CASH FLOW STATEMENT**

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	1,557.18	4,654.79
Adjustment for:		
Depreciation and amortisation expense	754.85	771.00
Finance costs	925.22	715.04
Interest income	(483.28)	(368.37)
Sundry liabilities relating to earlier years written back	(40.71)	(74.91)
Impairment allowance for doubtful debts written back	39.72	(0.13)
Loss/(profit) on disposal of property, plant & equipment	-	(0.58)
<b>Operating profit before working capital changes</b>	<b>2,752.98</b>	<b>5,696.84</b>
Adjustments for:		
(Increase) / decrease in trade receivables	3,911.11	(1,861.88)
(Increase) / decrease in inventories	(5,392.10)	(2,193.38)
(Increase) / decrease in other current financial assets	249.40	257.78
(Increase) / decrease in other current assets	(398.17)	867.85
Increase / (decrease) in trade payables	(863.41)	1,678.91
Increase / (decrease) in current financial liabilities	767.75	(98.05)
Increase / (decrease) other current liabilities	427.98	167.67
Increase / (decrease) in provisions	12.56	1,117.92
<b>Operating profit after working capital changes</b>	<b>1,468.10</b>	<b>5,633.66</b>
Income tax paid	560.41	1,116.88
<b>Net cash flow generated from operating activities</b>	<b>907.69</b>	<b>4,516.78</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposals of property, plant & equipment	-	1.20
Capital expenditure on property, plant & equipment, including capital work-in-progress and capital advances	(1,630.30)	(5,623.41)
Interest income received	483.28	368.37
Investment in wholly owned subsidiary	(5.00)	-
<b>Net cash flow (used in)/ generated from investing activities</b>	<b>(1,152.02)</b>	<b>(5,253.84)</b>

## CASH FLOW STATEMENT

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / proceedings from short term borrowings	976.25	623.22
(Repayment) / proceedings of long term borrowing	122.40	921.90
Finance costs paid	(699.17)	(504.36)
<b>Net cash flow used in financing activities</b>	<b>399.48</b>	<b>1,040.76</b>
<b>Net increase in cash and cash equivalents</b>	<b>155.15</b>	<b>303.70</b>
Cash and cash equivalents - opening balance	307.06	3.36
Cash and cash equivalents - closing balance	462.21	307.06

Notes: Cash flow statement has been prepared under the indirect method as given in the Indian Accounting Standard (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

For and on behalf of the Board of Directors

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

**B. N. Agarwal**  
Partner  
Membership No. 055649  
Place : Kolkata  
Dated : July 30, 2020

**M. Bengani**  
Chief Financial Officer

**R. Fogla**  
Company Secretary  
Membership No. : A23339

**L. N. Sharma**  
Director  
DIN : 00356855



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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.

Except for the changes due to adoption of IND AS -116 "LEASES" the company has consistently applied accounting policy to all applicable period. The Ministry of Corporate Affairs has notified IND AS 116 "LEASES" effective from April 1, 2019 has replaced the existing Leases standard in Accounting Standard-17. The Standard set out the principle for the recognition measurement and disclosure for the both parties to a contract i.e. lessee & the lessor. IND AS 116 introduced a single lease accounting model and requires a lessee and a lessor to recognise assets and liability for all leases with a term of more than 12 months unless the underlying asset is of low value.

#### 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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.

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.
- (iv) revenue from sale of services are recognised at a time on which the performance is completed.

##### 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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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.

### 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.

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.

### i. Leases

The Company assesses whether a contract contains a lease, at inception of contract. A contract is/contains a lease if the contract conveys the right to control the use of unidentified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of identified assets the company assess:

- i) The contract involves the use of identified assets,
- ii) The company has substantially, all the economic benefits from the use of assets through the period of lease,
- iii) The company has the right to direct the use of assets.

The Company recognises the lease (right of use) assets and corresponding lease liability for all lease arrangement except for the lease with a term of 12 months or less (short term lease) and low value leases.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

The right of use assets are depreciated from the commencement date on a straight line basis over the lease term. The company also assess the right of use assets for impairment when such indicators exists.

### **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.

### **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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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 other than Equity Instruments at amortised cost

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

##### Equity Instruments

The Company has accounted for its investments in subsidiary at cost.

##### 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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.

### 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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.

### r. Earnings per share

Earnings 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 STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 3. PROPERTY, PLANT AND EQUIPMENT

	As at 31.03.2020	As at 31.03.2019
<b>Carrying Amounts of :</b>		
Lease hold land	-	114.30
Building and shed - factory	945.02	995.80
Building - other	20.98	21.41
Plant and equipments	9,179.84	9,847.18
Furniture and fixtures	5.76	4.82
Vehicles	85.15	70.30
Office equipments	3.43	2.43
Computers	4.08	3.54
<b>Total (A)</b>	<b>10,244.26</b>	<b>11,059.78</b>
<b>Assets given on lease</b>		
Building & shed	98.28	106.05
Plant and equipments	65.22	75.23
Furniture and fixtures	0.01	0.01
<b>Total (B)</b>	<b>163.51</b>	<b>181.29</b>
<b>Total (A+B)</b>	<b>10,407.77</b>	<b>11,241.07</b>
Capital work in progress	8,755.52	7,180.67
<b>Total</b>	<b>19,163.29</b>	<b>18,421.74</b>

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	
<b>For the F.Y 2019-20</b>												
<b>Gross carrying amount</b>												
As at 01.04.2019	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
Additions	-	-	-	-	1.90	28.27	1.31	0.62	-	-	-	32.10
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to right of use assets as per Ind AS 116	(125.53)	-	-	-	-	-	-	-	-	-	-	(125.53)
<b>As at 31.03.2020</b>	<b>-</b>	<b>1,148.13</b>	<b>22.70</b>	<b>11,961.55</b>	<b>9.48</b>	<b>148.15</b>	<b>8.21</b>	<b>18.69</b>	<b>129.36</b>	<b>110.56</b>	<b>0.01</b>	<b>13,556.84</b>
<b>Accumulated depreciation</b>												
As at 01.04.2019	11.23	152.33	1.29	2,114.37	2.76	49.58	4.47	14.53	23.31	35.33	-	2,409.20
Charge for the year	-	50.78	0.43	667.34	0.96	13.42	0.31	0.08	7.77	10.01	-	751.10
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to right of use assets as per Ind AS 116	(11.23)	-	-	-	-	-	-	-	-	-	-	(11.23)
<b>As at 31.03.2020</b>	<b>-</b>	<b>203.11</b>	<b>1.72</b>	<b>2,781.71</b>	<b>3.72</b>	<b>63.00</b>	<b>4.78</b>	<b>14.61</b>	<b>31.08</b>	<b>45.34</b>	<b>-</b>	<b>3,149.07</b>
<b>Net carrying amount as at 31.03.2020</b>	<b>-</b>	<b>945.02</b>	<b>20.98</b>	<b>9,179.84</b>	<b>5.76</b>	<b>85.15</b>	<b>3.43</b>	<b>4.08</b>	<b>98.28</b>	<b>65.22</b>	<b>0.01</b>	<b>10,407.77</b>
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
<b>For the F.Y 2018-19</b>												
<b>Gross carrying amount</b>												
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
<b>As at 31.03.2019</b>	<b>125.53</b>	<b>1,148.13</b>	<b>22.70</b>	<b>11,961.55</b>	<b>7.58</b>	<b>119.88</b>	<b>6.90</b>	<b>18.07</b>	<b>129.36</b>	<b>110.56</b>	<b>0.01</b>	<b>13,650.27</b>
<b>Accumulated depreciation</b>												
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
<b>As at 31.03.2019</b>	<b>11.23</b>	<b>152.33</b>	<b>1.29</b>	<b>2,114.37</b>	<b>2.76</b>	<b>49.58</b>	<b>4.47</b>	<b>14.53</b>	<b>23.31</b>	<b>35.33</b>	<b>-</b>	<b>2,409.20</b>
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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

- 3.1 Property, plant and equipment includes assets pledged as security to bank for working capital loan (Refer note no 17.1)
- 3.2 Refer Note No 33.1 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.
- 3.3 The Capital WIP amount to ₹ 8,755.52/- Lakhs (Previous year ₹ 7,180.67/- Lakhs)
- 3.4 Amount of Borrowing costs capitalised during the year ₹ 462.57 Lakhs (Previous year ₹ 513.82/- Lakhs.)
- 3.5 Details of pre-operative expenditure as a part of Capital-work-in-progress :

Particulars	As at 31.03.2020	As at 31.03.2019
Power and fuel	28.57	35.50
Employee benefit expense	59.08	55.80
Finance cost and others borrowing cost	462.57	513.82
Others	166.75	74.97
<b>Pre-operative expenses for the year</b>	<b>716.97</b>	<b>680.09</b>
Add Pre-operative expenses upto previous year	766.55	86.46
<b>Total Pre-operative expenses</b>	<b>1,483.52</b>	<b>766.55</b>

#### 4. RIGHT-OF-USE ASSETS

Particulars	Lease hold Land
Balance as at 01.04.2019	-
Reclassified on account of adoption of Ind AS 116	114.30
Additions	-
Deletion	-
Depreciation	3.75
Balance as at 31.03.2020	110.55

#### 5. FINANCIAL ASSETS INVESTMENT ( NON CURRENT)

Investment in equity instruments

(In 100 % Subsidiary Company) (Unquoted), (Valued at cost)

Particulars	As at 31.03.2020	As at 31.03.2019
KIC Minerals Private Limited, 50,000 ( Previous year- nil) equity shares of ₹ 10 each, fully paid up	5.00	-

#### 6. OTHER NON-CURRENT ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
Capital advances	38.29	14.94
<b>Total</b>	<b>38.29</b>	<b>14.94</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 7. INVENTORIES

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Raw materials	12,985.35	7,324.89
(ii) Finished goods	389.92	610.85
(iii) Stores and spares	357.78	405.21
<b>Total</b>	<b>13,733.05</b>	<b>8,340.95</b>
Included above, goods in transit		
(i) Raw materials	68.25	190.41
	<b>68.25</b>	<b>190.41</b>

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

7.1 For Inventories hypothecation as security to bank for working capital loan, refer note no 17.1

### 8. TRADE RECEIVABLES

Particulars	As at 31.03.2020	As at 31.03.2019
<u>Unsecured</u>		
Considered good	790.79	4,741.62
Considered doubtful	41.96	2.24
Less: Impairment allowance for doubtful debts (expected credit loss allowance)	(41.96)	(2.24)
<b>Total</b>	<b>790.79</b>	<b>4,741.62</b>

8.1 Trade receivables are further analysed as follows:

Particulars	As at 31.03.2020	As at 31.03.2019
	Gross credit risk	Gross credit risk
Amounts not yet due	17.54	4,445.39
One month overdue	98.46	274.15
Two months overdue	83.03	0.05
Three months overdue	-	-
Between three to six months overdue	-	17.64
Greater than six months overdue	633.72	6.63
Less: Impairment provision	(41.96)	(2.24)
<b>Net credit risk</b>	<b>790.79</b>	<b>4,741.62</b>

8.2 Movement of impairment allowance for doubtful debts (expected credit loss allowance)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Balance at the beginning of the period	2.24	2.37
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	39.72	(0.13)
<b>Balance at the end of the period</b>	<b>41.96</b>	<b>2.24</b>

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 9. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020	As at 31.03.2019
Cash in hand	1.37	0.22
Balances with banks		
- In current accounts	85.08	2.98
- In Fixed deposits account (maturing within 3 months)	375.76	303.86
<b>Total</b>	<b>462.21</b>	<b>307.06</b>

### 10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020	As at 31.03.2019
In Fixed deposits account (maturing above 3 months)	207.48	454.62
<b>Total</b>	<b>207.48</b>	<b>454.62</b>

10.1 Balance in fixed deposits are pledged with banks as margin money for letter of credit/bank guarantee.

### 11. OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, considered good</b>		
Security deposits	48.86	51.12
<b>Total</b>	<b>48.86</b>	<b>51.12</b>

### 12. OTHER CURRENT ASSETS

Particulars	As at 31.03.2020	As at 31.03.2019
Balance with government authorities	1,284.78	1,556.00
Prepaid expenses	18.59	23.24
Advances to suppliers (against supply of goods or services)	4,114.52	3,440.48
<b>Total</b>	<b>5,417.89</b>	<b>5,019.72</b>

### 13. EQUITY SHARE CAPITAL

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Authorised:</b>		
<b>Equity share capital</b>		
12,50,00,000 equity shares of ₹ 2/- each	2,500.00	2,500.00
<b>Preference share capital</b>		
7,50,00,000 preference shares of ₹ 10/- each	7,500.00	7,500.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
3,54,96,000 equity shares of ₹ 2/- each	709.92	709.92

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

for the year ended March 31, 2020

(₹ in Lakhs)

**13.1 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 31.03.2020		As at 31.03.2019	
	No of Shares	(₹ in Lakhs )	No of Shares	(₹ in Lakh)
Opening balance	3,54,96,000	709.92	70,99,200	709.92
Increase in number of shares due to sub-division (Refer note no 13.5)	-	-	2,83,96,800	-
Closing balance	3,54,96,000	709.92	3,54,96,000	709.92

**13.2 Shares held by holding company**

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of shares of ₹ 2/- each	(%)	No. of shares of ₹ 2/- each	(%)
Equity shares				
Karni Syntex Pvt. Ltd	2,06,85,480	58.28	2,06,85,480	58.28

**13.3 List of shareholder holding more than 5 percent shares in the Company:**

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of shares of ₹ 2/- each	(%)	No. of shares of ₹ 2/- each	(%)
<b>Equity shares</b>				
i) Karni Syntex Pvt. Ltd	2,06,85,480	58.28	2,06,85,480	58.28
ii) Flamingo Overseas Pvt. Ltd.	30,00,000	8.45	30,00,000	8.45

**13.4 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.

**13.5 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.

**14. OTHER EQUITY**

Particulars	As at 31.03.2020	As at 31.03.2019
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	6,798.38	5,980.99
<b>Total</b>	<b>10,302.41</b>	<b>9,485.02</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 14.1 Equity component of compound financial instruments (7% Redeemable non-cumulative preference shares)

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	1,230.15	1,230.15
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,230.15</b>	<b>1,230.15</b>

### 14.2 Capital redemption reserve

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	300.00	300.00
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>300.00</b>	<b>300.00</b>

14.2.1 Capital redemption reserve represents the reserve created against the redemption of 8% redeemable cumulative preference shares of Rs. 10/- each, during the FY 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.

### 14.3 Securities premium

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	1,973.88	1,973.88
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,973.88</b>	<b>1,973.88</b>

14.3.1 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.

### 14.4 Retained earnings

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	5,980.99	2,811.68
Profit after tax for the year	825.24	3,173.82
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(7.85)	(4.51)
<b>Balance at the end of the year</b>	<b>6,798.38</b>	<b>5,980.99</b>

14.4.1 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 15. BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
<b>Secured</b>		
Term loan	1,650.00	-
Vehicle loans	17.89	10.49
<b>Total secured borrowings</b>	<b>1,667.89</b>	<b>10.49</b>
<b>Unsecured</b>		
7% Redeemable non-cumulative preference shares of ₹ 10 each fully paid up	3,446.44	3,220.39
Other loans (Inter corporate deposits)	2,050.00	3,585.00
<b>Total unsecured borrowings</b>	<b>5,496.44</b>	<b>6,805.39</b>
<b>Total</b>	<b>7,164.33</b>	<b>6,815.88</b>

**15.1** Term loan carries an interest at 1.45% (spread) over and above 6 month MCLR p.a, current rate 10.85 % p.a. The term loan from bank is secured by subservient charge on the entire current assets and movable fixed assets of the company (both present and future), personal guarantee of Chairman and Managing Director and corporate guarantee of third party.

**15.2** 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.

**15.3** 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.

**15.4** Other loans carries an interest rate of 12% to 13% p.a, repayable after 5years from the date of the loan.

### 16. PROVISIONS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non-current</b>		
Post-employment defined benefits		
-Retirement gratuity	147.15	119.60
Other employee benefits	28.66	24.10
<b>Total</b>	<b>175.81</b>	<b>143.70</b>

### 17. BORROWINGS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
<b>Secured</b>		
Repayable on demand from banks		
-Cash credits	3,252.94	1,976.69
<b>Unsecured</b>		
Short term loan from corporate body	200.00	500.00
<b>Total</b>	<b>3,452.94</b>	<b>2,476.69</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

17.1 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.

### 18. TRADE PAYABLES

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Outstanding dues of micro enterprises and small enterprises</b>	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises:		
-Creditors for supplies and services	11,843.73	12,747.85
<b>Total</b>	<b>11,843.73</b>	<b>12,747.85</b>

18.1 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 31.03.2020. 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.

### 19. OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Current maturity of long term borrowing	650.00	-
Current maturities of vehicle loan	18.30	17.26
Interest payable on borrowings	117.15	0.44
<b>Total</b>	<b>785.45</b>	<b>17.70</b>

### 20. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory dues	765.00	1,166.33
Advance from customers	1,595.15	763.52
Payable to employees	60.53	62.85
<b>Total</b>	<b>2,420.68</b>	<b>1,992.70</b>

### 21. PROVISIONS

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Provision for taxation	1,677.29	1,684.77
<b>Total</b>	<b>1,677.29</b>	<b>1,684.77</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 22. REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Sale of goods:</b>		
-Pig iron	36,306.03	54,295.34
-Coke and coal	12,159.95	28,468.53
-Others	835.24	2,120.33
<b>Sale of services:</b>		
-Jobwork income	305.55	-
<b>Total</b>	<b>49,606.77</b>	<b>84,884.20</b>

### 23. OTHER INCOME

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest income	483.28	368.37
Lease rental	54.00	45.00
Sundry liabilities relating to earlier years written back	40.71	74.91
Impairment allowance for doubtful debts written back	(39.72)	0.13
Profit on sale of property, plant and equipment	-	0.58
<b>Total</b>	<b>538.27</b>	<b>488.99</b>

### 24. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Raw materials consumed</b>		
Opening stock	7,324.89	5,364.21
Add: Purchases	35,963.85	53,532.74
	<b>43,288.74</b>	<b>58,896.95</b>
Less: Transfer to stock-in-trade	-	3,503.44
Less: Closing stock	12,985.35	7,324.89
<b>Total Raw material consumed</b>	<b>30,303.39</b>	<b>48,068.62</b>
<b>Raw materials consumption comprises</b>		
Iron ore	7,550.54	12,498.60
Coke and coal	20,988.02	33,651.99
Others	1,764.83	1,918.03
<b>Total Raw material consumed</b>	<b>30,303.39</b>	<b>48,068.62</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 25. PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Coke and coal	11,888.53	23,090.97
Add: Transfer from raw materials	-	3,503.44
	11,888.53	26,594.41
Others	1.62	614.80
<b>Total</b>	<b>11,890.15</b>	<b>27,209.21</b>

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Closing stock of finished goods	389.92	610.85
Opening stock of finished goods	610.85	245.06
(Increase)/decrease in inventory	220.93	(365.79)
<b>Total</b>	<b>220.93</b>	<b>(365.79)</b>

### 27. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries, wages, labour charges, bonus etc	1,439.93	1,345.44
Contribution to provident and other funds	114.60	120.74
Staff welfare expenses	17.64	18.29
<b>Total</b>	<b>1,572.17</b>	<b>1,484.47</b>

### 28. FINANCE COST

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest expense:		
-Interest on borrowings	532.78	410.07
-Interest on preference shares	226.05	210.68
-Interest on others	26.89	10.14
Other borrowing cost	139.50	84.15
<b>Total</b>	<b>925.22</b>	<b>715.04</b>

### 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation on property, plant and equipment as per Note 3	751.10	771.00
Depreciation on right-of-use assets as per Note 4	3.75	-
<b>Total</b>	<b>754.85</b>	<b>771.00</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 30. OTHER EXPENSES

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Consumption of stores and spares	994.61	1,176.56
Power and fuel	818.28	731.04
Rent	8.84	8.16
Repairs to machinery	136.30	76.92
Insurance	16.16	7.70
Rates and taxes	186.00	40.73
Carriage outwards	-	9.69
Commission on sales	31.12	49.28
Corporate social responsibility expenditure	4.32	11.58
Foreign exchange fluctuation loss	306.86	138.48
<b>Payment to auditor</b>		
For Statutory audit	5.00	5.00
For Tax audit	1.00	1.00
For Limited review and certification	1.75	5.37
Miscellaneous expenses	410.91	574.34
<b>Total</b>	<b>2,921.15</b>	<b>2,835.85</b>

### 31. INCOME TAX EXPENSE

#### 31.1 Income tax recognised in profit or loss

Particulars	As at 31.03.2020	As at 31.03.2019
<b>a) Current tax expense</b>		
Current year	560.41	1,116.88
<b>b) Deferred tax expense</b>		
Origination and reversal of temporary differences and mat credit entitlement	171.53	364.09
<b>Total income tax expense</b>	<b>731.94</b>	<b>1,480.97</b>

#### 31.2 Income Tax recognised in OCI

Particulars	As at 31.03.2020	As at 31.03.2019
Remeasurements of defined benefit plans	4.22	2.43
<b>Total income tax expense relating to OCI items</b>	<b>4.22</b>	<b>2.43</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 31.3 Deferred Tax Assets and Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Liabilities</b>		
Difference between book and tax depreciation	1,986.66	1,968.00
Related to preference shares	365.95	444.94
<b>Total deferred tax liabilities</b>	<b>2,352.61</b>	<b>2,412.94</b>
<b>Assets</b>		
Provision for employee benefits	57.22	47.79
Allowance for doubtful debts	14.66	0.78
Mat credit entitlement	835.88	1,086.83
<b>Total deferred tax assets</b>	<b>907.76</b>	<b>1,135.40</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>1,444.85</b>	<b>1,277.54</b>

### 31.4 Reconciliation of deferred tax liabilities (net)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Opening balance</b>	<b>1,277.54</b>	<b>915.88</b>
Deferred tax expenses recognised in statement of profit and loss	171.53	364.09
Deferred tax recognised on other comprehensive income	(4.22)	(2.43)
<b>Closing balance</b>	<b>1,444.85</b>	<b>1,277.54</b>

### 32. EARNINGS PER SHARE (EPS)

#### Computation of earnings per share

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Face value of equity shares ( in Rupees)	₹ 2	₹ 2
Weighted average number of equity shares used for computing Earning per share (basic & diluted) (in numbers)	3,54,96,000	3,54,96,000
Profit attributable to equity share holders ( ₹ in Lakhs)	825.24	3,173.82
Earning per share (basic and diluted) (in Rupees)	2.32	8.94

**32.1** Pursuant to approval of the shareholders vide resolution dated 26th September, 2018 the Equity Shares of face value Rs 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.

### 33. COMMITMENTS AND CONTINGENCIES

#### 33.1 Capital commitments

Particulars	As at 31.03.2020	As at 31.03.2019
Estimated value of contracts in capital account remaining to be executed (net of advances)	896.07	356.36



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 33.2.1 Contingent liabilities (To the extent not provided for and claim against Company not acknowledged as debts) Ind AS 37.

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Disputed liabilities</b>		
Excise duty matters ( Amount paid under protest ₹ 1.08 Lakhs, Previous Year ₹ 1.08 Lakhs)	14.34	132.15
Jharkhand entry tax matters (Amount paid under protest ₹ 81.75 Lakhs, Previous Year ₹ 81.75 Lakhs)	81.75	81.75
<b>Guarantees</b>		
Bank guarantees	414.92	223.00

**33.2.2** 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'able 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.

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

### 34. SEGMENT REPORTING

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.

### 35. RELATED PARTY TRANSACTIONS

#### 35.1 List of Related Parties and the nature of relationship :

Name of Related Party	Nature of relationship
Karni Syntex Pvt. Ltd	Holding company
KIC Minerals Private Limited	100 % Subsidiary Company
<b>Key managerial personnel</b>	
-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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 35.2 Transactions during the year

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>With 100% Subsidiary - KIC Minerals Private Limited</b>		
50,000 equity shares of ₹ 10 each, fully paid up	5.00	-
<b>With Key managerial personnel</b>		
-Director's remuneration	74.70	60.00
-Other KMP's remuneration	14.74	14.52
-Other benefits paid	0.55	0.65

### 36. EMPLOYEE BENEFITS

#### 36.1 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.

##### 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 ₹ 86.47 lakhs (2018-19: ₹ 84.45 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 ₹ 28.13 lakhs (2018-19: ₹ 36.28 lakhs) as contribution in the Statement of profit and loss.

#### 36.2 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.





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

- 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 Rs. 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 31.03.2020 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.

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

Particulars	Valuation as at	
	As at 31.03.2020	As at 31.03.2019
Discount rate(s)	6.60%	7.60%
Rate of increase in salaries	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2006-08
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 31.03.2020	For the year ended 31.03.2019
Past service cost	-	-
Current service cost	13.99	12.12
Loss/(gain) on settlement	-	-
Net interest income/ (cost) on the net defined benefit liability (asset)	9.09	8.51
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>23.08</b>	<b>20.63</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.07)	-
Actuarial (gains)/losses arising from changes in financial assumptions	11.91	1.03
Actuarial (gains)/losses arising from experience variance (i.e. actual experience vs assumptions)	0.23	5.92
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>12.07</b>	<b>6.95</b>
<b>Total</b>	<b>35.15</b>	<b>27.58</b>

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 31.03.2020	As at 31.03.2019
Present value of funded defined benefit obligation	147.15	119.60
Fair value of plan assets	-	-
<b>Funded status [Surplus/(deficit)]</b>	<b>(147.15)</b>	<b>(119.60)</b>
Unrecognised past service costs	-	-
<b>Net Asset/ (Liability) arising from defined benefit obligation</b>	<b>(147.15)</b>	<b>(119.60)</b>

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

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening defined benefit obligations	119.60	110.62
Current service cost	13.99	12.12
Interest cost	9.09	8.52
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	(0.07)	-
Actuarial (gains)/losses arising from changes in financial assumptions	11.91	1.03
Actuarial (gains)/losses arising from experience assumptions	0.23	5.92
Past service cost, including losses /(gains) on curtailment	-	-
Acquisition credit cost	-	-
Benefits paid	(7.60)	(18.61)
<b>Closing defined benefit obligation</b>	<b>147.15</b>	<b>119.60</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 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 31.03.2020	As at 31.03.2019
<b>Discount rate</b>		
+1.00% discount rate	135.25	109.93
- 1.00% discount rate	160.94	130.76
<b>Salary escalation</b>		
+ 1.00% salary escalation	161.38	131.23
- 1.00% salary escalation	134.68	109.36
<b>Attrition rate</b>		
+ 50% withdrawal rate	148.53	121.63
- 50% withdrawal rate	145.59	117.32
<b>Mortality rate</b>		
+ 10.0% mortality rate	147.41	119.98
- 10.0% mortality rate	119.21	119.21

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

Particulars	As at 31.03.2020	As at 31.03.2019
1st year	16.68	9.27
2 to 5 years	48.51	36.75
6 to 10 years	63.28	58.58
More than 10 years	169.68	169.29

### 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.

## 37. FINANCIAL INSTRUMENTS

### 37.1 Categories of financial instruments

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Financial assets</b>		
(i) Measured at amortised cost		
(a) Trade receivables	790.79	4,741.62
(b) Cash and bank balances	669.69	761.68
(c) Other financial assets	48.86	51.12
(ii) Measured at cost		
(a) Investment in Subsidiary Company	5.00	-
<b>Sub-total</b>	<b>1,514.34</b>	<b>5,554.42</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	10,617.27	9,292.57
(b) Trade payables	11,843.73	12,747.85
(c) Other financial liabilities	785.45	17.70
<b>Sub-total</b>	<b>23,246.45</b>	<b>22,058.12</b>

### 37.2 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.

The Gearing ratio of the Company is as follows :-

Particulars	As at 31.03.2020	As at 31.03.2019
i) Equity share capital	709.92	709.92
ii) Other equity	10,302.41	9,485.02
<b>Total equity (a)</b>	<b>11,012.33</b>	<b>10,194.94</b>
i) Short-term borrowings	3,452.94	2,476.69
ii) Long term borrowings	7,164.33	6,815.88
iii) Current maturity of long term debt	668.30	17.26
iv) Interest payable on other borrowings	117.15	0.44
<b>Total debt (b)</b>	<b>11,402.72</b>	<b>9,310.27</b>
Less : Cash and cash equivalents	462.21	307.06
<b>Net debt (c)</b>	<b>10,940.51</b>	<b>9,003.21</b>
<b>Capital and net debt (a+c)</b>	<b>21,952.84</b>	<b>19,198.15</b>
<b>Gearing ratio</b>	<b>0.50</b>	<b>0.47</b>

### 38. 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets.	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.

### 38.1 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:-

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

#### 38.1.2 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.

#### 38.1.3 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

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 March 31, 2020	Currency	Amount in FC (In \$)	Amount (₹ in Lakhs)
Trade payables	USD	59.47	4,482.94

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

### Foreign currency sensitivity

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

(₹ in Lakhs)

Particulars	2019-20		2018-19	
	2% Increase - Loss	2% Decrease - Profit	2% Increase - Loss	2% Decrease - Profit
USD	(89.66)	89.66	(45.90)	45.90
Increase / (Decrease) in profit before tax	(89.66)	89.66	(45.90)	45.90

### 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.

## 39. CORPORATE SOCIAL RESPONSIBILITY EXPENSE

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Amount required to be spent as per section 135 of the Act	49.63	18.17
Amount spent during the year on:		
(i) Construction /Acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.32	11.58
<b>Total</b>	<b>4.32</b>	<b>11.58</b>
<b>Amount yet to be spent</b>	<b>51.90</b>	<b>6.59</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

**40.** In the month of March 2020, the Government of India and State Government authorities has declared complete lock down in view of pandemic covid 19 w.e.f March 24, 2020. The Company's manufacturing operation were impacted as a consequence of lockdown. In spite of partial withdrawal of lockdown, the ongoing restrictions by the Government authorities to contain the pandemic continue to impact normal production and cause supply chain disruption, etc. As per the current assessment, the company does not foresee incremental risk on carrying amounts of inventories and recoverability of trade receivables and other assets. The impact of Covid 19 pandemic on the overall economic environment being uncertain may effect the underline assumption and estimates use to prepare companies financial statements which may differ from that considered at the date of approval of this financial statement. However, the company does not anticipate any challenge in its availability to continue as going concern for meeting its financial obligations. As the situation is unprecedented the company is closely monitoring the situation.

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

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

**R. S. Jalan**

Chairman & Managing Director

DIN : 00578800

**B. N. Agarwal**

Partner

Membership No. 055649

Place : Kolkata

Dated : July 30, 2020

**M. Bengani**

Chief Financial Officer

**R. Fogla**

Company Secretary

Membership No. : A23339

**L. N. Sharma**

Director

DIN : 00356855



# INDEPENDENT

## Auditors' Report

To the Members of

**M/s K I C Metaliks Limited**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of M/s K I C Metaliks Limited (hereinafter referred to as the "Holding Company") and its wholly owned subsidiary (together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020 and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit and other comprehensive profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirement that are relevant to our audit of the consolidated financial statements in term of the Code of Ethics issued by ICAI, and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditors referred to in sub paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of matter

We draw attention to Note No. 37 of consolidated Ind AS financial statement which describes the uncertainties and the impact of the COVID-19 pandemic on the Group's operations and results as assessed by the management. The actual results may differ from such estimates depending on the future developments. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 Holding Company's management and Board of Directors are responsible for the other information. The Other information comprises the information included the consolidated financial statements and our auditors report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



## INDEPENDENT

### Auditors' Report

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements

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

- Identify and assess the risks of material misstatement of the consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

## INDEPENDENT

### Auditors' Report

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure".



## INDEPENDENT

### Auditors' Report

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

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

Place : Kolkata  
Date : July 30, 2020

**B. N. Agarwal**  
Partner  
Membership No. 055649  
UDIN: 20055649AAAAFH8783

## 'ANNEXURE'

### to the Independent Auditors' Report

#### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the M/s KIC Metaliks Limited (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Group under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such company incorporated in India which are its subsidiary company, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The respective Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include 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 respective 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 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to consolidated financial statements.



## 'ANNEXURE'

### to the Independent Auditors' Report

#### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial controls with Reference to the Consolidated Financial Statements

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

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to its wholly owned subsidiary, and to whom internal control over financial statements is applicable, is based on the corresponding report of the auditors of such companies incorporated in India.

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

Place : Kolkata  
Date : July 30, 2020

**B. N. Agarwal**  
Partner  
Membership No. 055649  
UDIN: 20055649AAAAFH8783

## CONSOLIDATED BALANCE SHEET

as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4	10,407.77
Capital work-in-progress	4	8,755.52
Right-of-use assets	5	110.55
Other non current assets	6	38.29
<b>Total non current assets</b>		<b>19,312.13</b>
<b>Current assets</b>		
Inventories	7	13,733.05
<b>Financial assets</b>		
(i) Trade receivables	8	790.79
(ii) Cash and cash equivalents	9	464.94
(iii) Bank balances other than (ii) above	10	207.48
(iv) Others financial assets	11	48.86
Other current assets	12	5,417.89
<b>Total current assets</b>		<b>20,663.01</b>
<b>TOTAL ASSETS</b>		<b>39,975.14</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	13	709.92
Other equity	14	10,300.03
<b>Total equity</b>		<b>11,009.95</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	15	7,164.33
Provisions	16	175.81
Deferred tax liabilities (net)	31	1,444.85
<b>Total non current liabilities</b>		<b>8,784.99</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
(i) Borrowings	17	3,452.94
(ii) Trade payables	18	11,843.84
(iii) Other financial liabilities	19	785.45
Others current liabilities	20	2,420.68
Provisions	21	1,677.29
<b>Total current liabilities</b>		<b>20,180.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,975.14</b>

See accompanying notes to the consolidated 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 : July 30, 2020

**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

**L. N. Sharma**  
Director  
DIN:00356855



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31.03.2020
<b>REVENUE</b>		
Revenue from operations	22	49,606.77
Other income	23	538.27
<b>Total Income</b>		<b>50,145.04</b>
<b>EXPENSES</b>		
Cost of materials consumed	24	30,303.39
Purchase of stock-in-trade	25	11,890.15
Changes in inventories of finished goods, stock in trade and work in progress	26	220.93
Employee benefit expenses	27	1,572.17
Finance costs	28	925.22
Depreciation and amortization expenses	29	754.85
Other expenses	30	2,923.53
<b>Total expenses</b>		<b>48,590.24</b>
<b>Profit before tax</b>		<b>1,554.80</b>
<b>Tax expense</b>		
(1) Current tax	31	560.41
(2) Deferred tax	31	171.53
<b>Total tax expenses</b>		<b>731.94</b>
<b>Profit after tax for the year</b>		<b>822.86</b>
<b>Other comprehensive income</b>		
Item that will not be reclassified to profit & loss:		
Remeasurement of retirement benefits plan		(12.07)
Income tax affect relating to above		4.22
<b>Other comprehensive income, net of tax</b>		<b>(7.85)</b>
<b>Total comprehensive income for the year</b>		<b>815.01</b>
Earnings per equity shares of par value of ₹ 2/- each		
-Basic (In ₹)	32	2.32
-Diluted (In ₹)	32	2.32

See accompanying notes to the consolidated 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 : July 30, 2020

**M. Bengani**

Chief Financial Officer

**R. Fogla**Company Secretary  
Membership No. A23339**R. S. Jalan**Chairman & Managing Director  
DIN: 00578800**L. N. Sharma**Director  
DIN:00356855

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(₹ in Lakhs)

### (a) Equity share capital

Particulars	Amount
Balance as at 31.03.2019	709.92
Changes in equity share capital during the period	-
<b>Balance as at 31.03.2020</b>	<b>709.92</b>

### (b) Other equity

For the year ended March 31, 2020

Particulars	Equity component of compound financial instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
Balance as at 01.04.2019	1,230.15	300.00	1,973.88	5,980.99	9,485.02
Profit for the period	-	-	-	822.86	822.86
Other comprehensive income	-	-	-	(7.85)	(7.85)
<b>Balance as at 31.03.2020</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>6,796.00</b>	<b>10,300.03</b>

See accompanying notes to the consolidated 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

**R. S. Jalan**

Chairman & Managing Director

DIN: 00578800

**B. N. Agarwal**

Partner

Membership No. 055649

Place : Kolkata

Dated : July 30, 2020

**M. Bengani**

Chief Financial Officer

**R. Fogla**

Company Secretary

Membership No. A23339

**L. N. Sharma**

Director

DIN:00356855

**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended 31.03.2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before taxes	1,554.80
Adjustment for:	
Depreciation and amortisation expense	754.85
Finance costs	925.22
Interest income	(483.28)
Sundry liabilities relating to earlier years written back	(40.71)
Impairment allowance for doubtful debts written back	39.72
<b>Operating profit before working capital changes</b>	<b>2,750.60</b>
Adjustments for:	
(Increase) / decrease in trade receivables	3,911.11
(Increase) / decrease in inventories	(5,392.10)
(Increase) / decrease in other current financial assets	249.40
(Increase) / decrease in other current assets	(398.17)
Increase / (decrease) in trade payables	(863.30)
Increase / (decrease) in current financial liabilities	767.75
Increase / (decrease) other current liabilities	427.98
Increase / (decrease) in provisions	12.56
<b>Operating profit after working capital changes</b>	<b>1,465.83</b>
Income tax paid	560.41
<b>Net cash flow generated from operating activities</b>	<b>905.42</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Capital expenditure on property, plant & equipment, including capital work-in-progress and capital advances	(1,630.30)
Interest income received	483.28
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(1,147.02)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
(Repayment) / proceedings from short term borrowings	976.25
(Repayment) / proceedings of long term borrowing	122.40
Finance costs paid	(699.17)
<b>Net cash flow used in financing activities</b>	<b>399.48</b>
Net increase in cash and cash equivalents	157.88
Cash and cash equivalents - opening balance	307.06
Cash and cash equivalents - closing balance	464.94

Notes: Cash flow statement has been prepared under the indirect method as given in the Indian Accounting Standard (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 : July 30, 2020

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

**L. N. Sharma**  
Director  
DIN:00356855

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 1. Corporate information

K I C Metaliks Limited (the Holding 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).

### 2. Principles of Consolidation:

These Consolidated financial statements related to K I C Metaliks Limited (the Holding Company) and its subsidiary company M/s KIC Minerals Private Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the holding Company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions.
- b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e March 31, 2020.
- c) The Subsidiary considered in the preparation of Consolidated financial statement:

Name of the Subsidiary : KIC Minerals Private Limited

Country of Incorporation : India

Percentage of Ownership Interest : 100%

### 3. Significant accounting policies and key estimates and judgements

#### 3.1 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.

#### 3.2 Basis of preparation of financial statements

The group 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.

#### 3.3 Use of estimates

In preparation of the financial statements, the group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 3.4 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 group 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.

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

##### Sale of goods

The group 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.
- (iv) revenue from sale of services are recognised at a time on which the performance is completed.

##### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group 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 group'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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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.

### g. Impairment

At each balance sheet date, the group 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 group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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.

### i. Leases

The Company assesses whether a contract contains a lease, at inception of contract. A contract is/contains a lease if the contract conveys the right to control the use of unidentified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of identified assets the company assess:

- i) The contract involves the use of identified assets,
- ii) The company has substantially, all the economic benefits from the use of assets through the period of lease,
- iii) The company has the right to direct the use of assets.

The Company recognises the lease (right of use) assets and corresponding lease liability for all lease arrangement except for the lease with a term of 12 months or less (short term lease) and low value leases.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

The right of use assets are depreciated from the commencement date on a straight line basis over the lease term. The company also assess the right of use assets for impairment when such indicators exists.

### 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.

### 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 group 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 group are presented in Indian rupees (INR), which is the functional currency of the group 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 group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### 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 other than on Equity Instrument at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a 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 group 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 group 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 group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group 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 group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group 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.

### Derecognition of financial liabilities

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

### iii) Offsetting financial instruments

Financial assets and financial liabilities of the group 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 group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

When the group 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.

### **r. Earnings per share**

Earnings 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 group 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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 4. PROPERTY, PLANT AND EQUIPMENT

	As at 31.03.2020
<b>Carrying amounts of :</b>	
Lease hold land	-
Building and shed - factory	945.02
Building - other	20.98
Plant and equipments	9,179.84
Furniture and fixtures	5.76
Vehicles	85.15
Office equipments	3.43
Computers	4.08
<b>Total (A)</b>	<b>10,244.26</b>
<b>Assets given on lease</b>	
Building & shed	98.28
Plant and equipments	65.22
Furniture and fixtures	0.01
<b>Total (B)</b>	<b>163.51</b>
<b>Total (A+B)</b>	<b>10,407.77</b>
Capital work in progress	8,755.52
<b>Total</b>	<b>19,163.29</b>

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	
<b>For the F.Y 2019-20</b>												
Gross carrying amount												
As at 01.04.2019	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
Additions	-	-	-	-	1.90	28.27	1.31	0.62	-	-	-	32.10
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to right of use assets as per Ind AS 116	(125.53)	-	-	-	-	-	-	-	-	-	-	(125.53)
<b>As at 31.03.2020</b>	<b>-</b>	<b>1,148.13</b>	<b>22.70</b>	<b>11,961.55</b>	<b>9.48</b>	<b>148.15</b>	<b>8.21</b>	<b>18.69</b>	<b>129.36</b>	<b>110.56</b>	<b>0.01</b>	<b>13,556.84</b>
Accumulated depreciation												
As at 01.04.2019	11.23	152.33	1.29	2,114.37	2.76	49.58	4.47	14.53	23.31	35.33	-	2,409.20
Charge for the year	-	50.78	0.43	667.34	0.96	13.42	0.31	0.08	7.77	10.01	-	751.10
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to right of use assets as per Ind AS 116	(11.23)	-	-	-	-	-	-	-	-	-	-	(11.23)
<b>As at 31.03.2020</b>	<b>-</b>	<b>203.11</b>	<b>1.72</b>	<b>2,781.71</b>	<b>3.72</b>	<b>63.00</b>	<b>4.78</b>	<b>14.61</b>	<b>31.08</b>	<b>45.34</b>	<b>-</b>	<b>3,149.07</b>
<b>Net carrying amount as at 31.03.2020</b>	<b>-</b>	<b>945.02</b>	<b>20.98</b>	<b>9,179.84</b>	<b>5.76</b>	<b>85.15</b>	<b>3.43</b>	<b>4.08</b>	<b>98.28</b>	<b>65.22</b>	<b>0.01</b>	<b>10,407.77</b>

4.1 Property, plant and equipment includes assets pledged as security to bank for working capital loan (Refer note no 17.1)

4.2 Refer Note No 33.1 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment.

4.3 The Capital WIP amount to ₹ 8,755.52/- Lakhs

4.4 Amount of borrowing costs capitalised during the year ₹ 462.57 Lakhs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2020

(₹ in Lakhs)

**4.5 Details of pre-operative expenditure as a part of capital-work-in-progress**

Particulars	As at 31.03.2020
Power and fuel	28.57
Employee benefit expense	59.08
Finance cost and others borrowing cost	462.57
Others	166.75
<b>Pre-operative expenses for the year</b>	<b>716.97</b>
Add Pre-operative expenses upto previous year	766.55
<b>Total Pre-operative expenses</b>	<b>1,483.52</b>

**5. RIGHT-OF-USE ASSETS**

Particulars	Lease hold Land
Balance as at 01.04.2019	-
Reclassified on account of adoption of Ind AS 116	114.30
Additions	-
Disposal	-
Depreciation	3.75
Balance as at 31.03.2020	110.55

**6. OTHER NON CURRENT ASSETS**

Particulars	As at 31.03.2020
Capital advances	38.29
<b>Total</b>	<b>38.29</b>

**7. INVENTORIES**

Particulars	As at 31.03.2020
(i) Raw materials	12,985.35
(ii) Finished goods	389.92
(iii) Stores and spares	357.78
<b>Total</b>	<b>13,733.05</b>
Included above, goods in transit	
(i) Raw materials	68.25
	<b>68.25</b>

7.1 For Inventories hypothecation as security to bank for working capital loan. (Refer note no 17.1)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 8. TRADE RECEIVABLES

Particulars	As at 31.03.2020
<b>Unsecured</b>	
Considered good	790.79
Considered doubtful	41.96
Less: Impairment allowance for doubtful debts (expected credit loss allowance)	(41.96)
<b>Total</b>	<b>790.79</b>

#### 8.1 Trade receivables are further analysed as follows:

Particulars	As at 31.03.2020
	<b>Gross credit risk</b>
Amounts not yet due	17.54
One month overdue	98.46
Two months overdue	83.03
Three months overdue	-
Between three to six months overdue	-
Greater than six months overdue	633.72
Less: Impairment provision	(41.96)
<b>Net credit risk</b>	<b>790.79</b>

#### 8.2 Movement of impairment allowance for doubtful debts (expected credit loss allowance)

Particulars	As at 31.03.2020
Balance at the beginning of the period	2.24
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	39.72
<b>Balance at the end of the period</b>	<b>41.96</b>

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

### 9. CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2020
Cash in hand	1.37
Balances with banks	
-In current accounts	87.81
-In Fixed deposits account (maturing within 3 months)	375.76
<b>Total</b>	<b>464.94</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2020

(₹ in Lakhs)

**10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2020
In Fixed deposits account (maturing above 3 months)	207.48
<b>Total</b>	<b>207.48</b>

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

**11. OTHER FINANCIAL ASSETS**

Particulars	As at 31.03.2020
<b>Unsecured, considered good</b>	
Security deposits	48.86
<b>Total</b>	<b>48.86</b>

**12. OTHER CURRENT ASSETS**

Particulars	As at 31.03.2020
Balance with government authorities	1,284.78
Prepaid expenses	18.59
Advances to suppliers (against supply of goods or services)	4,114.52
<b>Total</b>	<b>5,417.89</b>

**13. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2020
<b>Authorised:</b>	
<b>Equity share capital</b>	
12,50,00,000 equity shares of ₹ 2/- each	2,500.00
<b>Preference share capital</b>	
7,50,00,000 preference shares of ₹ 10/- each	7,500.00
<b>Total</b>	<b>10,000.00</b>
<b>Issued, subscribed and fully paid-up</b>	
3,54,96,000 equity shares of ₹ 2/- each	709.92

13.1 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 31.03.2020	
	No of Shares	(₹ in Lakhs )
Opening balance	3,54,96,000	709.92
Increase in no. of shares	-	-
Closing balance	3,54,96,000	709.92

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 13.2 Shares held by holding Company

Particulars	As at 31.03.2020	
	No. of shares of ₹ 2/- each	(%)
<b>Equity shares</b>		
Karni Syntex Pvt. Ltd	2,06,85,480	58.28

### 13.3 List of Shareholder holding more than 5 percent Shares in the Company:

Particulars	As at 31.03.2020	
	No. of shares of ₹ 2/- each	(%)
<b>Equity shares</b>		
i) Karni Syntex Pvt. Ltd	2,06,85,480	58.28
ii) Flamingo Overseas Pvt. Ltd.	30,00,000	8.45

### 13.4 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.

## 14. OTHER EQUITY

Particulars	As at 31.03.2020
Equity component of compound financial instruments	1,230.15
Capital redemption reserve	300.00
Securities premium	1,973.88
Retained earnings	6,796.00
<b>Total</b>	<b>10,300.03</b>

### 14.1 Equity component of compound financial instruments

(7% Redeemable non-cumulative preference shares)

Particulars	As at 31.03.2020
Balance at the beginning of the year	1,230.15
Add: Addition during the year	-
<b>Balance at the end of the year</b>	<b>1,230.15</b>

### 14.2 Capital redemption reserve

Particulars	As at 31.03.2020
Balance at the beginning of the year	300.00
Add: Addition during the year	-
<b>Balance at the end of the year</b>	<b>300.00</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

**14.2.1** Capital redemption reserve represents the reserve created against the redemption of 8% redeemable cumulative preference shares of ₹ 10/- each, during the FY 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.

### 14.3 Securities premium

Particulars	As at 31.03.2020
Balance at the beginning of the year	1,973.88
Add: Addition during the year	-
<b>Balance at the end of the year</b>	<b>1,973.88</b>

14.3.1 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.

### 14.4 Retained earnings

Particulars	As at 31.03.2020
Balance at the beginning of the year	5,980.99
Profit after tax for the year	822.86
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(7.85)
<b>Balance at the end of the year</b>	<b>6,796.00</b>

14.4.1 Retained earnings represents the undistributed profits of the group. 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.

## 15. BORROWINGS

Particulars	As at 31.03.2020
<b>Non-current</b>	
<b>Secured</b>	
Term loan	1,650.00
Vehicle loans	17.89
<b>Total secured borrowings</b>	<b>1,667.89</b>
<b>Unsecured</b>	
7% Redeemable non-cumulative preference shares of ₹ 10 each fully paid up	3,446.44
Other loans (inter corporate deposits)	2,050.00
<b>Total unsecured borrowings</b>	<b>5,496.44</b>
<b>Total</b>	<b>7,164.33</b>

**15.1** Term loan carries an interest at 1.45% (spread) over and above 6 month MCLR p.a, current rate 10.85 % p.a. The term loan from bank is secured by subservient charge on the entire current assets and movable fixed assets of the company (both present and future), personal guarantee of Chairman and Managing Director and corporate guarantee of third party.

**15.2** 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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

**15.3** Redeemable non-cumulative preference shares of Rs. 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 group.

**15.4** Other loans carries interest rate of 12% to 13% p.a, repayable after 5years from the date of the loan.

### 16. PROVISIONS

Particulars	As at 31.03.2020
<b>Non-current</b>	
Post-employment defined benefits	
-Retirement gratuity	147.15
Other employee benefits	28.66
<b>Total</b>	<b>175.81</b>

### 17. BORROWINGS

Particulars	As at 31.03.2020
<b>Current</b>	
<b>Secured</b>	
Repayable on demand from banks	
-Cash credits	3,252.94
<b>Unsecured</b>	
Short term loan from corporate body	200.00
<b>Total</b>	<b>3,452.94</b>

**17.1** 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.

### 18. TRADE PAYABLES

Particulars	As at 31.03.2020
Outstanding dues of micro enterprises and small enterprises	-
Outstanding dues of creditors other than micro enterprises and small enterprises:	
-Creditors for supplies and services	11,843.84
<b>Total</b>	<b>11,843.84</b>

**18.1** 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 31.03.2020. 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 group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2020

(₹ in Lakhs)

**19. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2020
<b>Current</b>	
Current maturity of long term borrowing	650.00
Current maturities of vehicle loan	18.30
Interest payable on borrowings	117.15
<b>Total</b>	<b>785.45</b>

**20. OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2020
Statutory dues	765.00
Advance from customers	1,595.15
Payable to employees	60.53
<b>Total</b>	<b>2,420.68</b>

**21. PROVISIONS**

Particulars	As at 31.03.2020
<b>Current</b>	
Provision for taxation	1,677.29
<b>Total</b>	<b>1,677.29</b>

**22. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31.03.2020
Sale of goods:	
-Pig iron	36,306.03
-Coke and coal	12,159.95
-Others	835.24
Sale of services:	
-Jobwork income	305.55
<b>Total</b>	<b>49,606.77</b>

**23. OTHER INCOME**

Particulars	For the year ended 31.03.2020
Interest income	483.28
Lease rental	54.00
Sundry liabilities relating to earlier years written back	40.71
Impairment allowance for doubtful debts written back	(39.72)
<b>Total</b>	<b>538.27</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 24. COST OF MATERIALS CONSUMED

Particulars	For the year ended 31.03.2020
<b>Raw materials consumed</b>	
Opening stock	7,324.89
Add: Purchases	35,963.85
	<b>43,288.74</b>
Less: Transfer to stock-in-trade	-
Less: closing stock	12,985.35
<b>Total Raw material consumed</b>	<b>30,303.39</b>
<b>Raw materials consumption comprises</b>	
Iron ore	7,550.54
Coke and coal	20,988.02
Others	1,764.83
<b>Total Raw material consumed</b>	<b>30,303.39</b>

### 25. PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended 31.03.2020
Coke and coal	11,888.53
Add: Transfer from raw materials	-
	11,888.53
Others	1.62
<b>Total</b>	<b>11,890.15</b>

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31.03.2020
Closing stock of finished goods	389.92
Opening stock of finished goods	610.85
(Increase)/decrease in inventory	220.93
<b>Total</b>	<b>220.93</b>

### 27. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31.03.2020
Salaries, wages , labour charges, bonus etc	1,439.93
Contribution to provident and other funds	114.60
Staff welfare expenses	17.64
<b>Total</b>	<b>1,572.17</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 28. FINANCE COST

Particulars	For the year ended 31.03.2020
Interest expense:	
-Interest on borrowings	532.78
-Interest on preference shares	226.05
-Interest on others	26.89
Other borrowing cost	139.50
<b>Total</b>	<b>925.22</b>

### 29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31.03.2020
Depreciation on property, plant and equipment as per note 4	751.10
Depreciation on right-of-use assets as per note 5	3.75
<b>Total</b>	<b>754.85</b>

### 30. OTHER EXPENSES

Particulars	For the year ended 31.03.2020
Consumption of stores and spares	994.61
Power and fuel	818.28
Rent	8.84
Repairs to machinery	136.30
Insurance	16.16
Rates and taxes	186.04
Carriage outwards	-
Commission on sales	31.12
Corporate social responsibility expenditure	4.32
Foreign exchange fluctuation loss	306.86
<b>Payment to auditor</b>	
For Statutory audit	5.11
For Tax audit	1.00
For Limited review and certification	1.75
Miscellaneous expenses	413.14
<b>Total</b>	<b>2,923.53</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 31. INCOME TAX EXPENSE

#### 31.1 Income tax recognised in profit or loss

Particulars	As at 31.03.2020
<b>a) Current tax expense</b>	
Current year	560.41
<b>b) Deferred tax expense</b>	
Origination and reversal of temporary differences and mat credit entitlement	171.53
<b>Total Income tax expense</b>	<b>731.94</b>

#### 31.2 Income tax recognised in OCI

Particulars	As at 31.03.2020
Remeasurements of defined benefit plans	4.22
<b>Total income tax expense relating to OCI items</b>	<b>4.22</b>

#### 31.3 Deferred tax assets and liabilities

Particulars	As at 31.03.2020
<b>Liabilities</b>	
Difference between book and tax depreciation	1,986.66
Related to preference shares	365.95
<b>Total deferred tax liabilities</b>	<b>2,352.61</b>
<b>Assets</b>	
Provision for employee benefits	57.22
Allowance for doubtful debts	14.66
Mat credit entitlement	835.88
<b>Total deferred tax assets</b>	<b>907.76</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>1,444.85</b>

#### 31.4 Reconciliation of deferred tax liabilities (Net)

Particulars	As at 31.03.2020
<b>Opening balance</b>	<b>1,277.54</b>
Deferred tax expenses recognised in statement of profit and loss	171.53
Deferred tax recognised on other comprehensive income	(4.22)
<b>Closing balance</b>	<b>1,444.85</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended March 31, 2020

(₹ in Lakhs)

**32. EARNINGS PER SHARE (EPS)****Computation of Earnings Per Share**

Particulars	For the year ended 31.03.2020
Face value of equity shares ( in Rupees)	₹ 2
Weighted average number of equity shares used for computing earning per share (basic & diluted) (in numbers)	3,54,96,000
Profit attributable to equity share holders ( ₹ in Lakhs)	822.86
Earnings per share (basic and diluted) (in Rupees)	2.32

**33. COMMITMENTS AND CONTINGENCIES****33.1 Capital commitments**

Particulars	As at 31.03.2020
Estimated value of contracts in capital account remaining to be executed (net of advances)	896.07

**33.2.1 Contingent liabilities (To the extent not provided for and claim against Company not acknowledged as Debts) Ind AS 37.**

Particulars	As at 31.03.2020
<b>Disputed Liabilities</b>	
Excise duty matters ( Amount paid under protest ₹ 1.08 Lakhs)	14.34
Jharkhand entry tax matters (Amount paid under protest ₹ 81.75 Lakhs)	81.75
<b>Guarantees</b>	
Bank guarantees	414.92

**33.2.2** The holding 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 Rs 603.91 Lakhs plus interest and penalty there on. The Matter is subjudice with hono'able 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.

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

**34. SEGMENT REPORTING**

The group 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 group is operating within India only and hence India is the only geographical segment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

### 35. RELATED PARTY TRANSACTIONS

#### 35.1 List of related parties and the nature of relationship:

Name of Related Party	Nature of relationship
Karni Syntex Pvt. Ltd	Holding company
<b>Key managerial personnel</b>	
-Mr. Radhey Shyam Jalan	Managing Director
-Mrs. Manjula Poddar	Director
-Mr. Suresh Kumar Singhal	Director
-Mr. Laxmi Narayan Sharma	Director
-Mr. Mukesh Bengani	Chief Financial Officer
-Mrs. Ruchika Fogla	Company Secretary

#### 35.2 Transactions during the year

Particulars	For the year ended 31.03.2020
<b>With Key managerial personnel</b>	
-Director's remuneration	74.70
-Other KMP's remuneration	14.74
-Other benefits paid	0.55

### 36. CORPORATE SOCIAL RESPONSIBILITY EXPENSE

Particulars	For the year ended 31.03.2020
<b>Amount required to be spent as per section 135 of the Act</b>	49.63
Amount spent during the year on:	
(i) Construction /Acquisition of any asset	-
(ii) On purposes other than (i) above	4.32
<b>Total</b>	<b>4.32</b>
<b>Amount yet to be spent</b>	<b>51.90</b>

37. In the month of March 2020, the Government of India and State Government authorities has declared complete lock down in view of pandemic covid 19 w.e.f March 24, 2020. The Group's manufacturing operation were impacted as a consequence of lockdown. In spite of partial withdrawal of lockdown, the ongoing restrictions by the Government authorities to contain the pandemic continue to impact normal production and cause supply chain disruption, etc. As per the current assessment, the company does not foresee incremental risk on carrying amounts of inventories and recoverability of trade receivables and other assets. The impact of Covid 19 pandemic on the overall economic environment being uncertain may effect the underline assumption and estimates use to prepare companies financial statements which may differ from that considered at the date of approval of this financial statement. However, the group does not anticipate any challenge in its availability to continue as going concern for meeting its financial obligations. As the situation is unprecedented the management are closely monitoring the situation.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(₹ in Lakhs)

- 38.** The group has only one wholly owned subsidiary company, as such the entire profit/loss and total comprehensive income belong to the owners of the parent and nothing is attributable to non-controlling interest. Also there is no non-controlling interest in the Balance Sheet and in the statement of changes in equity.
- 39.** The group has only one wholly owned subsidiary company with no significant material transaction. Notes to the accounts as required in accordance with Schedule III and Companies (Indian Accounting Standard) Rules 2015 being similar to that disclosed by holding company in their standalone financial statements are not been appended hereto.
- 40.** Previous year figures have not been provided as the Subsidiary Company have prepared financial statements for the first time as at March 31, 2020.

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 : July 30, 2020

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

**L. N. Sharma**  
Director  
DIN:00356855

# NOTES

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