



where vision takes shape

**K I C METALIKS LIMITED**

ANNUAL REPORT 2011 - 12

*Celebrating*  
**25**  
*Years*





where vision takes shape

**KIC METALIKS LIMITED**

[www.kicmetaliks.com](http://www.kicmetaliks.com)

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A TWO-AND-A-HALF DECADE FOR SOME.  
A QUARTER OF CENTURY FOR MANY.  
A LIFETIME FOR US AT K I C METALIKS LIMITED ...



... OF DELIGHTING CUSTOMERS,  
PROSPERING WITH SHAREHOLDERS,  
ENRICHING EMPLOYEES.

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The 25th Annual General Meeting will be held on Friday, 28th September, 2012 at Rotary Sadan (Shripati Singhania Hall), 94/2, Chowringhee Road, Kolkata 700 020 at 10.00 A.M.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Visit us at: [www.kicmetaliks.com](http://www.kicmetaliks.com)

E-mail: [admin@kicmetaliks.com](mailto:admin@kicmetaliks.com)

Tel.: 91 33 2210 3301

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**MANJARI ENTERPRISES** ([print@printindia.co.in](mailto:print@printindia.co.in))  
Phone : (033) 22303495



Beginning of a  
**NEW ERA**

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A journey of thousand miles begins with a single step. Over the years we have come a long way by taking one step at a time.

Today, conditions are shaped not only by financial and economic crises globally, but also by the stability of prospering emerging market economies. The consumption in developing economies is driven by rising population, surging per capita income, growing disposable income, expanding middle class and continuing urbanization. With this we witness an era of new growth emerging. In this vastly changed economic and business landscape we are committed to create stakeholder value and are suitably poised to play a pivotal role on the strength of our experience and expertise.

Moreover, we have already commenced the next journey of our growth through strategic focus and execution excellence. Our initiatives encompass process re-engineering, technology up-gradation and enhanced value-addition to emerge as a future-ready enterprise.

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# K I C, a 5 minute read

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## Overview

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We at K I C Metaliks, believe in an overall development of the iron and steel industry - be it through our product quality, our ability to create a sustainable business model, our initiatives to nurture the in-house talents, our zeal towards the creation of a healthy stakeholders value. Our vision and mission depicts the diverse interpretations of that one belief.

## Vision

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

## Mission

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The Company endeavours to achieve its vision through :

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



## ORIGIN

Incorporated in 1986 as Prudential Marketing Pvt. Ltd.

Started business as cast iron manufacturer & exporter and emerged as a successful pig iron producer.

## WHO WE ARE

We are one of the leading producers of Pig Iron in Eastern India.



## WHERE WE ARE

Registered office situated at Kolkata

Manufacturing facility at Raturia, Angadpur, Durgapur

## WHAT WE PRODUCE

Pig Iron

Portland Slag Cement

## WHAT IS OUR TEAM STRENGTH

274 qualified, dedicated and experienced employees as on 31st March, 2012.



## WHERE ARE WE LISTED

Our shares are listed at Bombay Stock Exchange Limited (Scrip Code: 513693; Scrip ID: KAJARIR)

Depository connectivity with NSDL & CDSL.

## TECHNOLOGY IMPLEMENTATION

Sintering technology adapted for processing of iron ore fines to sinter for use in production of pig iron.

Commissioned waste heat recovery based power plant.

## PRIDE

Product acceptability across markets due to its size uniqueness.

Portland Slag Cement facility accredited with BIS certification.



## Total Recall

**1986**

Incorporated as a private limited company on 26th August, 1986.

**1995**

IPO of 10,10,200 Equity Shares of ₹ 10/- each which was oversubscribed by 3.27 times.

**1998**

Commencement of Pig Iron plant with capacity of 1,10,000 MTPA.

**2001**

Commencement of Portland Slag Cement plant.

**2010**

Acquisition of the Company by M/s. Karni Syntex Private Limited.  
Turned around a loss making Company, with a record sales of ₹ 425 crores.

**2012**

Successful installation of Annular Sinter Plant with a capacity of 3,36,000 MTPA and Blast Furnace Gas based Captive Power Plant with capacity of 4.7 MW.

1998

1986



Acquisition of the company by  
M/s. Karni Syntex Private Limited.  
Turned around a loss making company,  
with a record sales of  
₹ 425 crores in f.Y. 2009-10.



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## **Corporate Information**

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**Mr. Radhey Shyam Jalan**  
Chairman and Managing Director



**Mr. Barun Kumar Singh**  
Executive Director

**Mr. Thekken Narayanan Gunaseelan**  
Independent Director



**Mr. Suresh Kumar Singhal**  
Independent Director



**CHIEF FINANCIAL OFFICER**

Mr. Mukesh Bengani

**COMPANY SECRETARY**

Ms. Ruchika Dhanuka

**AUDITORS**

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

**BANKERS**

State Bank of India

**REGISTERED OFFICE**

“Sir RNM House”  
3B, Lal Bazar Street, 4th Floor, Room No. 2  
Kolkata - 700 001, West Bengal, India

**PLANT LOCATION**

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

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. S. K. 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

## Chairman's Communique

WE HAVE RECENTLY COMMISSIONED ANNULAR SINTER PLANT OF CAPACITY 3,36,000 MTPA AND 4.7 MW CAPTIVE POWER PLANT.



**Mr. Radhey Shyam Jalan**

*Chairman & Managing Director*

Dear Friends,

Allow me to begin with a cliché - change is the only constant. Having said that, it is important to ensure that transformational efforts are channelized in a positive direction for incremental and exponential results.

### **Economic and Business scenario**

A conducive external environment often, but not necessarily aids such transformation. We are all aware of the positivity and optimism around India's macro-economic story. But the current situation outside our country is in some way daunting the prospects of this optimism. America's fragile recovery continues in fits and starts, and after a difficult 2011, Japan is on track, owing to a boost from reconstruction spending. Besides, China is managing the slowdown well. The IMF's latest World Economic Outlook predicts 3.5% global growth in 2012. But the situation at Euro zone has given a setback to this fragile recovery. At the time of writing this, the situation at Europe seems to be changing with no clear roadmap on how things will shape up. Clearly the world economy is passing through a volatile phase characterized by great uncertainty.

The looming shadows of slowdown have lengthened to the shores of India. After achieving a consistent growth rate over the past 8 years, the GDP of our country grew by a mere 6% in 2011-12. What has come as more surprising is the low, 5.3% growth, recorded in the last quarter of this fiscal.





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THE 25 YEAR JOURNEY WOULD NOT HAVE BEEN THE SAME WITHOUT OUR CUSTOMERS, SHAREHOLDERS, EMPLOYEES, VENDORS AND OTHER STAKEHOLDERS.

I TAKE THIS OPPORTUNITY TO THANK THEM FOR MAKING K I C METALIKS A FORCE TO RECKON IN INDIA AND LOOK FORWARD TO THEIR CONTINUED SUPPORT.

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More than these economic estimates, there is something more basic, something more palpable about India that is heartwarming. It is the growing confidence of our nation, our youthfulness and willingness to take on the world and our self-belief that is so different than any time in the past. This whole environment makes it impossible not to think big. Especially if one has got a solid organisation, technical skills, a superior level of integrity and people who are positive and invigorated.

### Beginning of a new era

This year K I C Metaliks celebrates its silver jubilee. We started our journey 25 years ago and we stand today at a significant milestone. What pleases me is that after we acquired the Company from its erstwhile promoters, we have expanded and extended our industry presence significantly. We look back with satisfaction. We look forward to continue our journey with greater achievements and bigger goals.

### Way forward

We initially started with the manufacturing of castings. We integrated backward into the production of pig iron. We integrated forward into the manufacturing of portland slag cement, through “slag” which was considered to be a waste product generated during the production of pig iron. Our evolution from a commodity supplier to a value-adding partner is entirely due to our customers. We believe in leveraging our strengths so that they complement those of our clients therefore curtailing the challenges they face. As a testimony of our client dedication, we developed relationships with several leading iron and steel companies entrenching our presence in markets. This partnership-driven approach has allowed us to move from day-to-day cost pressures to long-term relationships forged around mutual success, high quality products and services.

We have recently commissioned Annular Sinter Plant of capacity 3,36,000 MTPA and 4.7 MW Captive Power Plant. This Sinter plant would help to reduce operational cost of producing hot metal and would also reduce the dependability of the Company on the high cost iron-ore lumps. Further, the Captive Power Plant will satisfy a major part of the Pig Iron Plant’s energy requirements, will reduce its dependence on

power supplied by DPL and will also reduce the power cost of the Company and hence cost of production of hot metal substantially.

### Going ahead our future priorities would be :

- Upgradation and capacity addition of the Mini Blast Furnace.
- To explore possibilities of acquiring captive mines of iron ore and coking coal in India and abroad.
- Strengthening of intellectual capital through proper training.
- Financial transaction efficiency, cost rationalization and optimization of cash flow.
- Aligning corporate objectives with that of stakeholders.

Vastly unexplored domestic market, reformed focus governance and an aspirational population with steadily rising income create a long-term optimism for the growth and demand for iron and steel products is going to propel the growth of our Company.

### Beyond business

The future is mapped out, the strategy finalized, now comes the role of human resource, which would turn our vision into corporate reality. At K I C Metaliks, we need to nurture competence and create a dedicated army of thought leaders who will elevate the organisation into next orbit.

As our Company grows, we are actively trying to reduce our environmental impact. Our green initiatives will not only help the environment, but will lower our operating costs.

The 25 year journey would not have been the same without our customers, shareholders, employees, vendors and other stakeholders. I take this opportunity to thank them for making K I C Metaliks a force to reckon in India and look forward to their continued support. I am confident that we will build, nurture and expand the Company with your continued support.

Warm regards

**Radhey Shyam Jalan**

## In a new era ... Integrating with Power

INTEGRATIONS LEAD TO MULTIPLE RETURNS. BESIDES AUGMENTING OPERATIONAL METRICS IT ALSO ALLOWS FACILITIES TO BE FULLY TESTED AND DE-BOTTLENECKED IN READINESS FOR THE FINAL PRODUCTION AT SUPERIOR LEVELS OF CAPACITY UTILISATION.



Integrations lead to multiple returns. Besides augmenting operational metrics it also allows facilities to be fully tested and de-bottlenecked in readiness for the final production at superior levels of capacity utilisation.

### The big picture

There is a growing demand for power in India which is expected to increase approximately by 56% by 2017. Besides, the cost of power is also rising steadily. Iron and steel being a power intensive industry, most of the steel plants these days aim for captive power generation with an eye to reduce power costs.

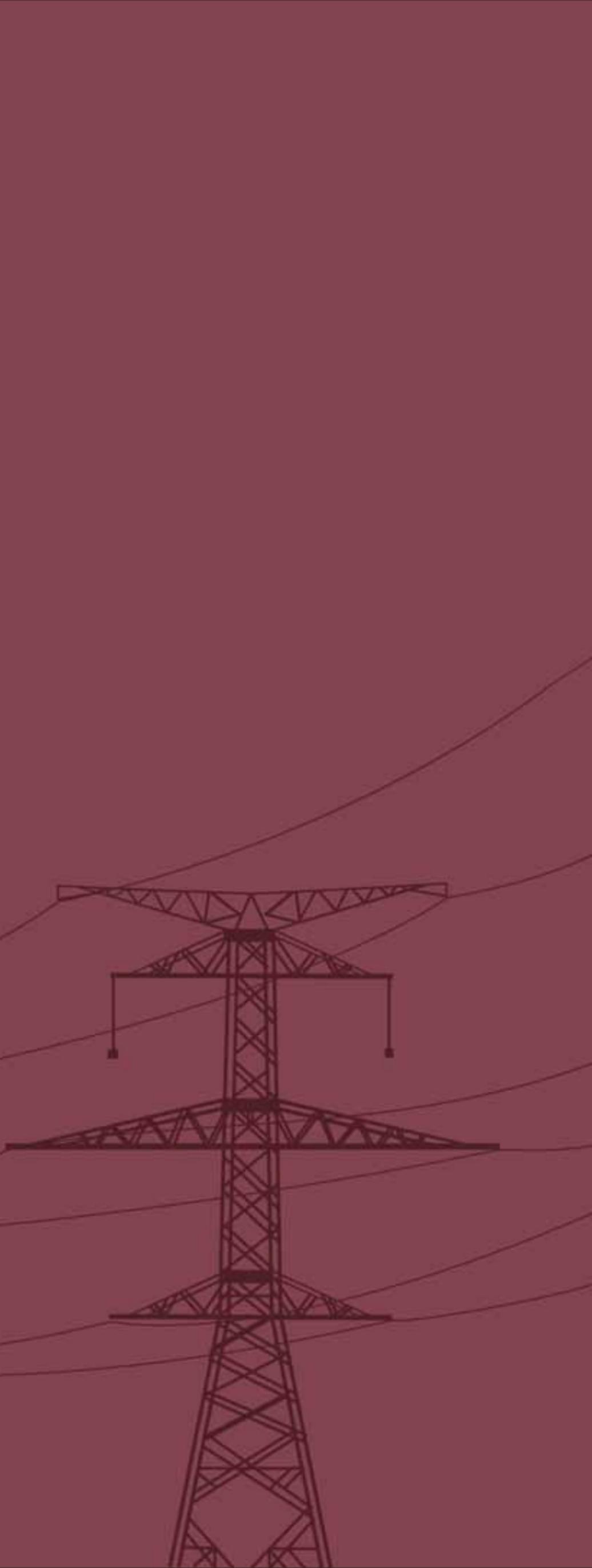
Iron and steel industry products generate a huge amount of waste heat/gas during the production process. The total heat/gas generated in these industries is not utilised fully but 45% is discharged through the exit gases through chimney and many hazardous gases are released into atmosphere through this waste heat/gas. These gases cause dangerous health problems to people living in surrounding areas to these industries and contribute largely to global warming. But this waste heat/gas when trapped and converted to steam results in effective power generation & efficient usage of our resources and reduces greenhouse gas emissions.

### The K I C response

Keeping the above advantages in view, K I C Metaliks has set up a 4.7 MW Blast Furnace Gas based Captive Power Plant. This power generation will meet the partial electric energy requirement of the Company and would also reduce its dependence on the power supplied by DPL.

### The result

At K I C Metaliks our investments in captive power generation capacity are both a measure of our fundamental strength and an insurance against the rising energy costs. The main advantages offered by this plant can be listed as - clean power generation and no production of green house & air polluting gases.





Sintering in technology, a process for obtaining solid and porous materials and items from fine powdery or pulverized materials at high temperatures.

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In a cyclical industry like iron & steel, a Company can protect itself from periodic volatility in unfavourable years through proactive investment. Integrating the value chain, acts as a value protector by insulating against supply side interruptions and price fluctuations.

### The big picture

In the present day scenario, the mini steel plants, as a move of backward integration, are installing sinter plants to feed the MBF. The reason behind this trend is to produce marketable hot metal/pig iron at low cost. Also cost of iron ore lumps which is a major raw material for producing pig iron is much higher as compared to cost of iron ore fines and hence production and use of sinter in MBF reduces the cost of production of hot metals. Further, charging Sinter into Blast Furnace also increases its productivity and helps in utilisation of other steel plants wastes.

### The K I C response

At K I C Metaliks Limited, we integrated backward by setting up state-of-the-art technology, the Annular Sinter Plant with a capacity of 3,36,000 MTPA, where it would convert the iron ore fines and coke fines into coarsed grained iron ore sinter for charging the blast furnace.

### The result

Sintering process would benefit the Company in terms of reduction into the cost of production of pig iron and would also eliminate the charging process of raw limestone and dolomite into the Blast Furnace to a certain extent. Further, it also aids the conservation of iron-ore by utilising iron-ore fines which are otherwise sold in the market at throw away prices.

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## In a new era ... Integrating with Sinter

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INTEGRATING THE VALUE CHAIN, ACTS  
AS A VALUE PROTECTOR BY  
INSULATING AGAINST SUPPLY SIDE  
INTERRUPTIONS AND PRICE  
FLUCTUATIONS.

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## In a new era ...

# Our people at heart of all strategy

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OUR HUNGER FOR EXCELLENCE HAS BROUGHT US AT THE CROSSROADS OF CREATING DYNAMISM AND EXPERIENCE WITHIN OUR MANAGEMENT.

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Values are not rule books but real ideas that are personified by ones behavior and ideas. The result is a healthy K I C, home to several ambitious and happy individuals. Our values have been the guiding beacons and inner strength in making a difference to our most precious intellectual property and our stakeholders.

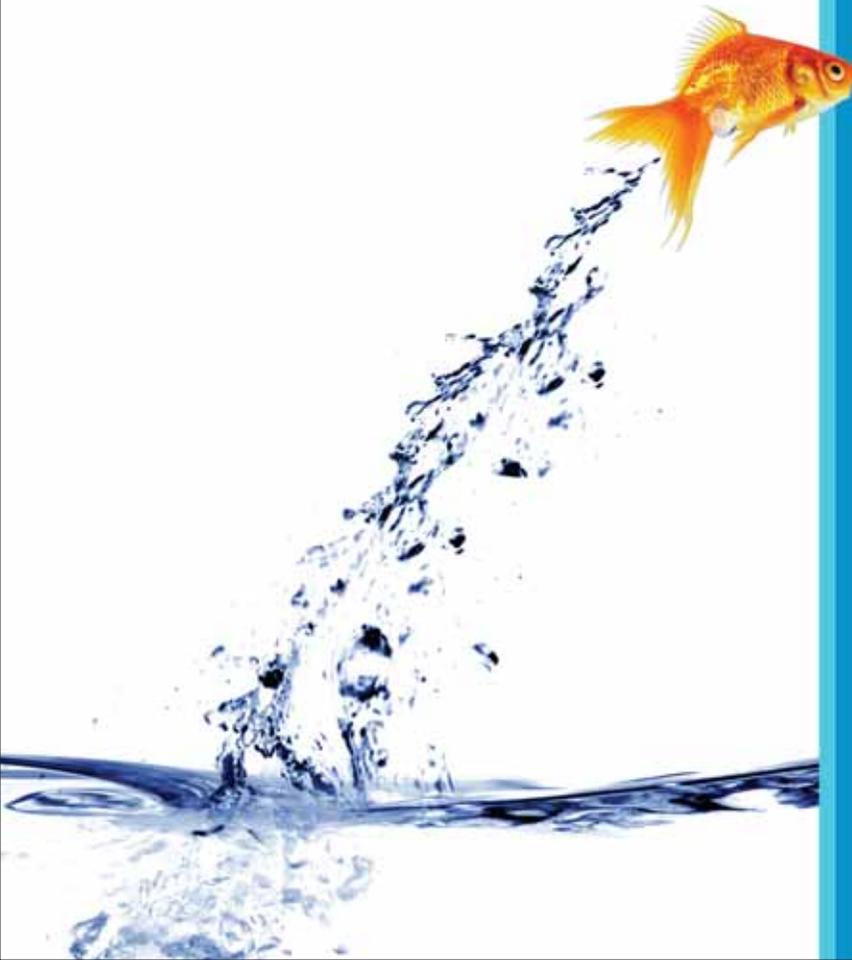
Guided by experience and vision, we have come this far in our journey towards a resilient existence. Now we are hungry for more of both, speed and depth. Our hunger for excellence has brought us at the crossroads of creating dynamism and experience within our management. Today K I C Metaliks has an enviable team of highly competent and experience personnel. Led from the top, we are a team-spirited and inspired lot, strongly subscribing to our forward journey of becoming an admired leader. It is from here that the management team now sees the beginning of a new era, a beginning of discovery and new milestones ahead.

### Core strategies

- Learning, teamwork, speed and excellence - Four pillars of our value system.
- To attract and retain the best industry talent.
- To create a performance-driven and a transparent organisation with adequate reward mechanisms.
- To enhance employee morale through recreation and meets at regular intervals.
- To implement a performance appraisal system and a strong internal audit.
- To create a leadership pipeline through succession planning and talent management.

### Initiatives during 2011-12

- Recruitment of quality technical manpower through renowned technology institutes in Durgapur and Asansol and at the same time giving opportunity to freshers to showcase their talents.
- Bus with pick and drop facility.
- Canteen at plant premises with food at subsidized rates for the employees.





The human mind  
is a fundamental resource  
for any kind of work  
that needs to be achieved.  
*- John F Kennedy*



Companies that understand  
their links with the communities  
they operate in, & their impact  
on the environment,  
are most likely to prosper.

*- Anonymous*

For growth to be responsible, it should go beyond numbers. It should go to the society to create a better world. That's the kind of growth in which our Company believes and constantly strives for.

### Environment management

Our planet is fragile. It needs love and sensitivity. Sustainability of humanity hinges directly with the well-being of the planet. As responsible corporate citizens, we care. We believe that an unspoiled environment is the greatest inheritance we can leave to the next generation. Our environment sustainability programme includes :

- Implemented greening activities in and around the plant to protect the environment.
- Efficient air and water pollution measures following the principles as laid down by various government agencies.
- Waste gases being reprocessed for the generation of power for captive use thereby reducing the emission of greenhouse gases.
- Solid waste management system in adherence with pollution control norms ensuring the lesser degradation of environment.

### Social Welfare

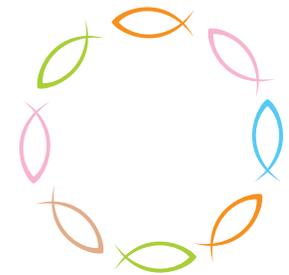
As a socially responsible organisation, we lay emphasis on making meaningful contribution towards the community. Various social welfare measures discharged by our Company includes :

- Beautification, upkeep and development of the temple and pond inside the plant premises.
- Active celebration of 26th January & 15th August and distribution of food and sweets amongst the employees.
- Celebration of Vishwakarma Puja at plant premises with active participation of employees.

### Health and Safety

Good health is recognized a basic driver of growth and safety at the work place is treated as a non-negotiable instrument. Both are as important as production, quality efficiency and every other aspect of the performance of the Company.

- Protected employee health by establishing a well-equipped occupational health centre with a qualified doctor.
- Free medical health check-up camp for employees.
- Regular training for all employees.
- Regular safety rounds.
- Investment in safety apparatus as well as a periodic inspection of personal protective equipment and installation of medical oxygen cylinders at hazardous gas prone areas.
- Proper illumination of working areas to avoid any accidents.



**In a new era ...**

**Being socially responsible**

**SUSTAINABILITY OF HUMANITY  
HINGES DIRECTLY WITH THE  
WELL-BEING OF THE PLANET.**

## Directors' Report

*Dear members*

Your Directors have pleasure in presenting the TWENTY FIFTH Annual Report on the affairs of the Company together with the Statement of Accounts of the Company for the year ended on 31st March, 2012. The summarised financial results for the year vis-s-vis the previous year are as follows :

### 1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	2011 - 12	2010 - 11
Profit before Depreciation & Taxation	913.59	2,206.52
Less : Depreciation & Amortisation	420.52	411.96
Profit before Taxation	<b>493.07</b>	<b>1,794.56</b>
Less : Taxation including Deferred Tax	264.84	771.90
Add : MAT credit entitlement	98.65	495.39
Profit after Taxation	<b>326.88</b>	<b>1,518.05</b>
Surplus carried to Balance Sheet	<b>326.88</b>	<b>1,518.05</b>

### 2. FINANCIAL AND PERFORMANCE REVIEW

During the year under review, your Company has produced 50,233 MT of Hot Metal as compared to 38,101 MT in the previous year. Higher demand of pig iron in current fiscal, comparison to previous year and shorter shut-down period of MBF resulted in higher production as compared to 2010-11. The production of Portland Slag cement was 1,755 MT as compared to 5,044 MT in the previous year. Most of the Portland slag cement produced was consumed captively. Lower demand for cement resulted in lower production.

The Company has achieved a turnover of ₹ 35,593 Lakhs as against ₹ 27,018 Lakhs in the previous year which is 31.74% higher in comparison to last FY. The profit after tax for the year stood at ₹ 327 Lakhs compared to a profit after taxation of ₹ 1,518 Lakhs in the previous year, registering a decline over last FY. The inordinate pressure on margins forced the EBIDTA of the Company to decline significantly. Margin pressure was exerted during the year as a result of sharp increase in raw material prices although price of finished goods moved up. But this increase was not entirely commensurate with higher input costs. Moreover, productivity gain and price enhancement were insufficient to offset this sharp increase in input costs.

### 3. PROJECTS

Your Directors take great pleasure to state that the following projects were completed during the year under report and impact of these projects on overall state of affairs of the Company will be felt in the coming years :

#### i) Annular Sinter Plant

During the year, the Company successfully commissioned Annular Sinter Plant of capacity 3,36,000 MT. p.a. This Sinter Plant would help to reduce operational cost of producing hot metal and would also reduce the dependability of the Company on the high cost iron-ore lumps. This Plant would further facilitate the consumption of low-priced raw materials like iron-ore fines and coke fines of the Pig Iron Plant.

## Directors' Report

Apart from conservation of iron ore by utilising the ore fines, instead of discarding, the other benefits of charging sinter into blast furnace are listed below :

- Utilisation of steel plant wastes, such as flue dust, mill scale, coke breeze, etc. during the sintering process.
- Decrease in coke rate of blast furnace.
- Increase in productivity of blast furnace.
- Elimination of charging of raw limestone and dolomite into blast furnace.
- Reduction in cost of production of pig iron.

### ii) 4.7 MW Waste Heat Recovery based Captive Power Plant

The 4.7 MW waste heat recovery based Captive Power Plant was synchronised in March 2012 and is generating power. The power unit has stabilised its operations and the power generated is utilised captively.

During the process of manufacture of pig iron, the blast furnace releases large quantity of hot flue gas at 950 - 1050 Deg C carrying good amount of sensible (latent) heat. The heat energy content of these flue gases was effectively used for generation of electric power through Waste Heat Recovery Boilers (WHRB) and Steam Turbine Generator. Alternatively, with the release of flue gases to the atmosphere, the energy content would have been simply wasted besides creating problems in disposal of the gases, thus safeguarding against any pollution hazard in the plant premises. The conditioning of the exit gas, which is a mandatory requirement as per stipulation of the Environment Regulatory Authority, involves substantial amount of capital investment without any return. Thus, the Power Plant has been set up for making effective and economic use of the hot waste gas. This Captive Power Plant will enable your Company to meet the challenge of growing energy costs and will result in efficient usage of resources.

## 4. CHANGES IN THE CAPITAL STRUCTURE

During the year under review, there is no change in the Authorised Capital structure of the Company. As on 31st March, 2012, the Authorised Share Capital of the Company stood at ₹ 50 Crore. The Board, at its meeting held on 30th May, 2012 has proposed to increase the Authorised Share Capital of the Company from ₹ 50 Crore to ₹ 75 Crore by addition of further 2.50 Crore Preference Shares of ₹ 10/- each. Consequently, the Authorised Share Capital of the Company will stand at ₹ 75 Crore divided into 2.50 Crore Equity Shares of ₹ 10/- each and 5 Crore Preference Shares of ₹ 10/- each. Necessary resolutions for approval of Members are included in the Notice convening the forthcoming Annual General Meeting.

Regarding Issued, Subscribed and Paid up capital of the Company, in September 2011, the Board has allotted, 77 Lakhs, 7% Non-cumulative Redeemable Preference Shares of face value ₹ 10/- each at par to various investors aggregating to ₹ 7.70 Crore. Further in November 2011, the Board has allotted, 20 Lakhs, 7% Non-cumulative Redeemable Preference Shares of face value ₹ 10/- each at a premium of ₹ 10/- per share to various investors aggregating to ₹ 4 Crore.

Consequent to the issue and allotment of the Preference Shares as aforesaid, the Preference Share Capital of the Company stands increased from ₹ 14.55 Crore to ₹ 26.25 Crore and the Equity Share Capital stands at ₹ 7.09 Crore as on 31st March, 2012.

## 5. 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 for the FY ended on 31st March, 2012.

## 6. DIRECTORS

Mr. S.K. Singhal, Director of your Company is liable to retire by rotation and being eligible offers himself for re-appointment.

## Directors' Report

Mr. P. C. Sahoo, Executive Director, resigned from the services of the Company on 30th May, 2012 due to other pre occupations. The Board recorded its appreciation for the valuable guidance rendered by Mr. P. C. Sahoo during his tenure as a Director of the Company.

Further, Mr. Barun Kumar Singh, Chief Operating Officer of the Company was inducted as an Additional Director on the Board and was appointed as an Executive Director of the Company w.e.f. 30th May, 2012. Mr. Singh is a Metallurgical Engineer with vast experience in Blast Furnace operations.

An appropriate resolution for appointment of Mr. Barun Kumar Singh is being placed before you at the ensuing Annual General Meeting and your Directors recommend passing of the same.

As required under Clause 49 of the Listing Agreement, brief particulars of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting have been given in the Notice convening the Annual General Meeting.

### 7. AUDITORS'

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

The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. Agarwal Maheshwari & Co., Chartered Accountants (Firm Registration No. 314030E) as Statutory Auditors of the Company and will hold the office till the conclusion of the next Annual General Meeting of the Company. M/s Agarwal Maheshwari & Co., Chartered Accountants have confirmed their eligibility and willingness to act as the Statutory Auditors of the Company and that their appointment, if made, shall be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

### 8. AUDIT COMMITTEE

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

### 9. PUBLIC DEPOSITS AND BUY BACK OF SHARES

The Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.

No Buy-back of shares was proposed or pending during the FY ended on 31st March, 2012.

### 10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts for the year ended 31st March, 2012 the applicable accounting standards have been followed and there were no material departures in compliance thereto;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2012 and of the profit of the Company for the period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Annual Accounts on a going concern basis.

## Directors' Report

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

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

### 12. PARTICULARS OF EMPLOYEES

The Company had no employee during the FY ended 31st March, 2012 who was in receipt of remuneration in excess of the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended).

### 13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### 14. CORPORATE GOVERNANCE REPORT

As stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange the detailed report on Corporate Governance is annexed herewith and marked as Annexure 'C' to this report and the certificate obtained from the statutory auditors of the Company, regarding compliance of the conditions of Corporate Governance, as stipulated in the said clause, is also attached to this report.

### 15. AUDITORS' REPORT

The coke oven plant of the Company is not in operation since 1st October, 2005, due to commercial reasons and as such there was no depreciation charged on the same.

The other points in Audit Report are self-explanatory.

### 16. STATUTORY DISCLOSURES

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

### 17. NOTE OF APPRECIATION

Your Directors place on record their sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by Shareholders banks, financial institutions and government look forward to having the same support in all future endeavors.

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

*Chairman and Managing Director*

## Annexure to the Directors' Report

### ANNEXURE - 'A'

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and as part of the Directors' Report for the year ended 31st March, 2012.

#### A. CONSERVATION OF ENERGY

##### a) energy conservation measures taken :

- Commissioning of 4.7 MW waste heat recovery based Captive Power Plant to conserve waste gases of the blast furnace that are otherwise lost in atmosphere.
- Close monitoring of operating parameters of high energy consuming equipment in plant.
- Additional load of power is scheduled during non-peak power consumption levels to keep maximum demand for power under control.

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

The Company has completed the set up of a 4.7 MW waste heat recovery based Captive Power Plant at the Durgapur plant location at a total cost of ₹ 2735.65 lakhs which will help in reducing the power cost of the Company substantially.

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

Power is generated from waste blast furnace gas for captive consumption and has reduced the power cost and cost of production of hot metal as a whole. The full impact of the Power Plant will be evident in FY 2012-13.

##### d) power and fuel consumption :

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

#### B. TECHNOLOGY ABSORPTION

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

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : There were no activities in the Company relating to export in 2011-12.

b) Details of Foreign Exchange used and earned :

	(₹ in Lakhs)	
	2011 - 2012	2010 - 2011
Details of Foreign Exchange earned	NIL	NIL
Foreign Exchange used	780.79	1465.99

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

*Chairman and Managing Director*

## Annexure to the Directors' Report

### FORM – A

(See Rule 2)

#### Form for disclosure of particulars with respect to conservation of energy

	Current Year (2011-2012)	Previous Year (2010-2011)
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
a] Purchased		
Unit (Lakhs/KWH)	189.11	131.51
Total amount (₹ in Lakhs)	762.81	555.56
Rate/Unit (₹/KWH)	4.03	4.22
b] Own generation		
i] Through Diesel Generator		
Unit (Lakhs/KWH)	5.19	0.53
Unit per Ltr. of Diesel of Oil (KWH)	3.26	3.35
Cost/Unit (₹/KWH)	12.30	11.40
ii] Through Steam Turbine/Generator		
Unit (Lakhs/KWH)	–	–
Unit per Ltr. of Fuel Oil/Gas	–	–
Cost/Unit (₹/KWH)	–	–
<b>2. Coal (specify quality and where used)</b>		
Quantity (MT)	–	76
Total Cost (₹ in Lakhs)	–	2.83
Average Rate (₹/MT)	–	3,690
<b>3. Furnace Oil</b>		
Quantity (K. Ltrs.)	–	–
Total Amount (₹ in Lakhs)	–	–
Average Rate (₹/K. Ltr.)	–	–
<b>4. High Speed Diesel Oil</b>		
Quantity (K. Ltr.)	159.29	15.945
Total Amount (₹ in Lakhs)	63.90	6.10
Average Rate (₹/K. Ltrs.)	40.12	38.25
<b>5. Others/Internal generation</b>		
Quantity	–	–
Total Cost	–	–
Rate/Unit	–	–
<b>B. Consumption per unit of production – per Tonne of Pig Iron</b>		
Electricity (KWH)	376.46	345.16
Light Diesel Oil (Ltr.)	–	–
High Speed Diesel Oil (Ltr.)	3.17	0.42

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

Chairman and Managing Director

## Annexure to the Directors' Report

### FORM – B

(See Rule 2)

#### Form for disclosure of particulars with respect to technology absorption

##### Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company	:	Nil
2. Benefits derived as a result of the above R & D	:	N.A.
3. Future plan of action	:	Nil
4. Expenditure on R & D		
a) Capital	]	Nil
b) Recurring		
c) Total		
d) Total R & D expenditure as a percentage of total turnover		

##### Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation	:	Nil
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	:	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :		
a) Technology imported	:	Sintering for Iron ore fines
b) Year of import	:	2010 - 11
c) Has technology been fully absorbed ?	:	Yes. Annular Sinter Plant with annual capacity of 3,36,000 MT p.a. has been successfully commissioned.
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	:	N.A.

For and on behalf of the Board of Directors

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

Chairman and Managing Director

# Management Discussion and Analysis Report

## ANNEXURE - 'B' TO THE DIRECTORS' REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The global financial turmoil has affected the entire global economy and the steel industry has not escaped its clutches. Demand for steel has taken a hit post the economic downturn, leading to production cuts by major steel producing companies, indigenously as well as globally.

The pig iron industry in India is divided into two types of producers, those who are integrated with steel making and those in merchant sector. K I C is a merchant pig iron producer.

The international scenario of the pig iron industry is also in a bad shape. The BRIC nations, which play a pivotal role in the pig iron industry, were massively hit in FY 2011-12. With the sharp decline in steel demand, paucity of basic raw materials and continuing ban on mining activities in Karnataka and Odisha, resulting in abruptly high pricing of quality iron ore, pig iron manufacturers had no choice but to curtail production and keep their plants shut as they were not finding it viable to operate as the production cost of quality pig iron was higher than the selling price.

However, there have been initial signs of revival over the last two months and that has really come as a much-needed breather. There is some recovery in demand, and industry observers are in consensus that the worst is over. Things are improving slowly and steadily. Although prices may not immediately start showing major increases, the demand has definitely turned positive and is expected to remain so. But improvement in capacity utilisation can only be seen, once pig iron producers are able to realize better prices to improve their margin, which is constantly under pressure.

### 2. OPPORTUNITIES

India's steel sector seems set to see some good times ahead and the market seems to be settling down currently as the materials have started moving once again. A slew of upcoming investments in India, many of which will require large quantities of steel, are one of the main reasons for the country's steel industry positive outlook in the latter half of this fiscal year. Better days appear to be here again for the pig iron industry. As the steel industry has witnessed frequent increase in prices since April 2012, the spill over effect is also witnessed in the pig iron segment, wherein the prices have shown good improvement.

The continued thrust of Central Government on infrastructure is expected to provide significant impetus to economic growth in the medium-term which will generate further demand for steel and consequently pig iron. There is also perceptible recovery in the foundry sector, which is one of the main consumers for the pig iron industry.

K I C has successfully commissioned the Annular Sinter Plant and 4.7 MW Captive Power Plant in the last quarter of 2011-12. This backward integration move of setting up the Sinter Plant will lower K I C's iron ore cost significantly as Sinter Plant's, major raw material, are the low-priced iron ore fines and will thus reduce the dependability of the Company on high cost iron-ore lumps. The Captive Power Plant will satisfy a major part of the Pig Iron Plant's energy requirements, will reduce its dependence on power supplied by DPL and will also reduce the power cost of the Company substantially. Both the projects will thus reduce the overall cost of production of hot metal and hence increase margins.

The management is also exploring the prospects of acquiring captive mines of iron-ore and coking coal, in India and abroad, to ensure continuous availability of these critical raw materials.

# Management Discussion and Analysis Report

## 3. THREATS, RISKS AND CONCERNS

The input costs for production of pig iron are rising gradually. The Companies' Pig Iron Plant is operating at lower capacity utilization for many reasons. Apart from dismal economic conditions, availability of iron ore has become a major problem for the Company. In many areas, mining activity was restricted which has reduced the availability of iron ore, increased its price and finally damaged the bottom line of K I C.

The cost of raw materials like iron ore and coke constitute major part of cost of production of pig iron and steel making being a raw material intensive activity, high raw material prices have dent the profitability of the Company, especially in a weak demand - supply scenario which is likely to constrain the ability of the K I C to pass on, cost increases.

K I C is also exposed to fluctuation in input costs as it procures iron ore from the open market for production of pig iron. Since it imports a key input material, K I C is also exposed to the risk of volatility in foreign exchange due to recent weakening in rupee prices globally. Weakening of rupee has impacted the cost of imported raw material i.e. met coke which constitutes a major part of cost of production of pig iron. Inflation which was also a key concern in last FY, exerted further pressures on the liquidity profile of your Company.

To mitigate the effects of the above mentioned threats your Company has successfully commissioned a Sinter Plant and a Captive Power Plant which will reduce the Company's dependability on iron-ore and reduce production costs substantially. To insulate itself against input cost fluctuations, your Company is trying to acquire captive iron-ore and coking coal mines in India and abroad. With above measures in hand, K I C is optimistic of a bright future ahead.

## 4. FUTURE OUTLOOK

The fiscal year 2011-12 witnessed slowdown of economic activities particularly industrial output. Inflation also remained at elevated level throughout the fiscal year. But on the backdrop of the growth fundamentals, it is expected that economic scenario for the near future will remain modest with growth being slightly higher than that recorded in 2011-12.

Pig iron markets are expected to grow, primarily due to rising demand from infrastructure, construction, foundry and manufacturing sectors. However uncertain global economic environment, rising prices of key raw materials like iron ore and coke, seasonal fall in demand for automobiles, inflation and adverse impact of rupee depreciation and competitive intensity continue to pose challenges for the future.

With the Sinter and Power projects becoming operational, the operations of Pig Iron Plant will further improve significantly, adding to the top and bottom lines of the Company in the coming years. In view of these encouraging developments K I C is quite hopeful to perform better in the coming years.

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

During the FY 2011-12 our Company produced 50,233 MT of Hot Metal as compared to 38,101 MT of hot metal in 2010-2011. Your Company sold 51,504 MT of pig iron in FY 2011-12 to achieve a gross turnover of ₹ 35,593 Lakhs and a net turnover of ₹ 34,253 Lakhs in comparison to previous year 2010-2011 sale of 38,153 MT to achieve a gross turnover of ₹ 27,018 Lakhs and a net turnover of ₹ 26,155 Lakhs. Production of Portland Slag Cement was 1,755 MT as compared to 5,044 MT in 2010-11.

EBIDTA of our Company showed a downward trend and dipped from ₹ 3,088 Lakhs in 2010-11 to ₹ 1,287 Lakhs in 2011-12, while the PAT reduced from ₹ 1,518 Lakhs in 2010-11 to ₹ 327 Lakhs in 2011-12. Consequently, the EPS also decreased from ₹ 22.26 to ₹ 4.60 in the FY 2011-12.

# Management Discussion and Analysis Report

## 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company is equipped with adequate internal control systems covering all facets of its business processes. It provides, among others, a reasonable assurance that transactions are executed with management authorisation and also ensure that the preparation of financial statements are in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or losses.

The internal control systems are supplemented by extensive audits conducted by internal auditors and periodic review by the Audit Committee. Moreover, regular internal audit and checks ensure that responsibilities are executed effectively across the organisation. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and also suggests improvements for strengthening the same. It also seeks the views of statutory auditors on the adequacy of the internal control systems in the Company.

## 7. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONSHIP

K I C Metaliks Limited's philosophy has been to create an open and transparent culture, focused on people and their competencies for delivering superior performance. Necessary training is imparted periodically to keep the employees abreast with the latest technological development in their area of operations. Employee development and growth are considered as key focus area and the Company takes every care of its employees and provides them with ample opportunities to prove their talent and efficiency and grow with the Company. The Company reviews the performance of the employees periodically to access better accountability and to ensure that the responsibilities are properly undertaken by the employees. Efforts are made to implement best people practices in the Company to foster a culture of learning, belongingness and care in the organisation.

Industrial relations continued to be cordial throughout the year. As on 31st March, 2012, the total regular manpower strength of the organisation was 274 employees as compared to 213 employees as on 31st March, 2011.

## 8. CAUTIONARY STATEMENT

*Statements in this 'Management Discussion and Analysis Report' detailing the Company's objectives, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply condition, cost of inputs, finished goods prices, changes in government regulations, tax regimes etc.*

*We assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events. Actual results may differ from those expressed or implied herein.*

# Corporate Governance Report

## ANNEXURE - 'C' TO THE DIRECTORS' REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy is to strive for optimum performance at all levels. The basic Corporate Governance practices which the Company follows for achieving the same are as under :

- Fair and transparent business practices;
- Effective management control by the Board;
- Monitoring of executive performance;
- Compliance of laws;
- Independent manner of operation of the Board;
- Accountability for performance;
- Monitoring of business risk.

### 2. BOARD OF DIRECTORS

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

As on March 31, 2012 the Board comprised of 4 Directors, of which 2 are Independent Non-Executive Directors and 2 Whole time Directors.

2.2 None of the Director's on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2012 have been made by the Directors.

During the FY 2011-12, five Board Meetings of the Company were held on 28th May, 2011, 12th August, 2011, 14th September, 2011, 1st December, 2011 and 27th February, 2012. The composition of the Board of Directors and their attendance at the Board meetings held during the year and at the last Annual General Meeting, and the number of other directorships and Board Committees' membership/chairmanship in other public companies are as follows :

Name and Category of the Directors	No. of Board Meetings Attended	Attendance of the Last AGM	No. of other Directorship held #		No. of other Committee memberships held #	
			As Member	As Chairman	As Member	As Chairman
Mr. R. S. Jalan (Chairman & Managing Director)	5	Yes	Nil	Nil	Nil	Nil
Mr. P. C. Sahoo* (Executive Director)	1	Yes	Nil	Nil	Nil	Nil
Mr. S. K. Singhal (Non-Executive Independent)	5	Yes	Nil	Nil	Nil	Nil
Mr. T. N. Gunaseelan (Non-Executive Independent)	5	No	Nil	Nil	Nil	Nil

# Corporate Governance Report

## Notes :

- \* Mr. P. C. Sahoo was re-appointed as the Executive Director of the Company w.e.f. 17th January, 2012 for a period of 1(one) year but resigned from the Directorship of the Company on 30th May, 2012 due to other pre-occupations. The Company appreciates the services rendered by Mr. Sahoo during his tenure of service. Further Mr. Barun Kumar Singh has been appointed as an Executive Director of the Company w.e.f. 30th May, 2012. Mr. Singh is a Metallurgical Engineer with vast experience in Blast Furnace Operations.
- # Excludes Directorships/Committee membership in Private Limited Companies, Companies under Section 25 of the Companies Act, 1956 and Foreign Companies and associations.
- 2.3 The agenda along with explanatory notes (for Board and other meetings) are sent in advance to all Directors to get their inputs in the discussion.  
  
The Board periodically reviews the compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify the instances of non-compliance, if any.
- 2.4 A Code of Conduct for the Board of Directors and Senior Management of the Company as adopted, is made available on the Company's website, [www.kicmetaliks.com](http://www.kicmetaliks.com).  
  
All the Board members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct as on March 31, 2012.

## DECLARATION

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange, all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no Non-compliance thereof during the year ended 31st March, 2012.

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

*Chairman and Managing Director*

## 3. BOARD COMMITTEES

### A. Audit Committee

- (a) The Company has an Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.
- (b) The terms of reference of the Audit Committee includes the powers, roles & scope and review of information in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchange.
- (c) The Audit Committee consists of three Directors, all of whom are persons with considerable financial experience and expertise. The Committee has two independent, Non-Executive Directors and one Executive Director. Mr. T. N. Gunaseelan, Chairman of the Committee is an independent Director but due to some un-avoidable causes could not be present at the last Annual General Meeting of the Company held on 26th August, 2011.
- (d) The Audit Committee met 4(four) times during the FY 2011-12 i.e. on 28th May, 2011, 12th August, 2011, 1st December, 2011 and 27th February, 2012 and not more than four months have elapsed between two meetings.

## Corporate Governance Report

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

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

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

### B. Remuneration Committee

- (a) The Company has a Remuneration Committee of Board of Directors. All the members are Non-Executive, independent Directors. The Remuneration Committee met once during the year on 27th February, 2012.
- (b) The composition of the Remuneration Committee as on 31st March, 2012 and attendance at the meeting of the Committee during 2011-12 is as under :

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

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

The details of remuneration paid to the Executive and Non-Executive Directors during the year ended 31st March 2012, are as follows :

#### a) Executive Directors :

Name of the Director	Salary including Benefits/ Allowances, etc. (₹)	Period of Contract	
		From	To
Mr. R. S. Jalan	12,00,000	30.01.2011	29.01.2014
Mr. P. C. Sahoo*	8,78,400	17.01.2012	16.01.2013
<b>Total</b>	<b>20,78,400</b>		

- \* The above remuneration of Mr. P. C. Sahoo, Executive Director was reviewed and recommended by the Remuneration Committee on 27th February, 2012 to the Board but is not placed before the members for approval as Mr. P. C. Sahoo tendered his resignation from the services of the Company on 30th May, 2012.

## Corporate Governance Report

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

### b) Non-Executive Directors :

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

#### Note :

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

### C. Shareholders'/Investors' Grievance Committee

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

During the year 2011-12, the Committee met 4 times on 28th May, 2011, 12th August, 2011, 1st December, 2011 and 27th February, 2012.

The composition of the Shareholder's/Investor's Grievance Committee and the attendance of member Directors during the FY 2011-12 are as follows :

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

### D. Finance Committee

The Committee was constituted on 14th September, 2011. It looks after the matters pertaining to finance such as issue and allotment of securities, borrowings from banks and other corporate bodies, budget, investments, etc.

The Committee is headed by Mr. S. K. Singhal, an independent Director and the Statutory Auditors and Chief Financial Officer of the Company are also invited to attend Finance Committee meetings.

During the FY 2011-2012, the Committee met once on 15th November, 2011.

## Corporate Governance Report

The composition of the Finance Committee and the attendance of member Directors during the FY 2011-12 are as follows :

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

**Name, designation and address of Compliance Officer :**

**Ms. Ruchika Dhanuka**

*Company Secretary*

**K I C METALIKS LIMITED**

"Sir RNM House" 3B, Lal Bazar Street,  
4th Floor, Room No. 2, Kolkata - 700001.

Phone : +91-33-22103301

Fax : +91-33-40019636

E-mail : companysecretary@kicmetaliks.com

**Shareholder/Investor Complaints :**

Particulars	Nos.
Number of complaints pending as on 1st April, 2011	Nil
Number of complaints received during 1st April, 2011 to 31st March, 2012	4
Number of complaints disposed off during the year ended on 31st March, 2012	4
Number of complaints pending as on 31st March, 2012	Nil

### E. Share Transfer Committee

The Board has constituted the Share Transfer Committee which as on 31st March, 2012, comprised of 3 Directors and the Company Secretary acts as the Secretary of the Committee.

The Committee deals with various matters such as :

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

During the FY 2010-11, the Committee met 7 times on 30th April, 2011; 15th June, 2011; 30th June, 2011; 15th July, 2011; 31st July, 2011; 15th October, 2011 and 31st March, 2012.

The composition of the Share Transfer Committee and the attendance of member Directors during the FY 2011-12 are as follows :

Name of the Director	Position held	No. of Share Transfer Committee Meetings	
		Held	Attended
Mr. R. S. Jalan	Chairman	7	7
Mr. T. N. Gunaseelan	Member	7	7
Mr. P. C. Sahoo*	Member	7	1

\*Mr. P. C. Sahoo resigned on 30th May, 2012 and Mr. Barun Kumar Singh was appointed as the new Executive Director of the Company on the same date. Hence Mr. Barun Kumar Singh was appointed as the new member of Share Transfer Committee w.e.f. 30th May, 2012.

# Corporate Governance Report

## 4. GENERAL BODY MEETINGS

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

FY	Date	Time	Location
2010-11	26.08.2011	10:00 A.M.	Rotary Sadan, Shripati Singhania Hall Lala Lajpat Rai Sarani, Kolkata - 700 020
2009-10	20.08.2010	10:00 A.M.	Bhartiya Bhasha Parishad 36A Shakespeare Sarani, Kolkata - 700 017
2008-09	22.09.2009	10:00 A.M.	Calcutta Chamber of Commerce 18H Park Street, Kolkata - 700 017

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

Annual General Meeting	Business requiring Special Resolution
24th Annual General Meeting held on 26.08.2011	Nil
23rd Annual General Meeting held on 20.08.2010	Nil
22nd Annual General Meeting held on 22.09.2009	Ratification of appointment of Mr. P. C. Sahoo as Executive Director of the Company for a period of 3 years w.e.f 16th January, 2009

- c) Details regarding Resolutions passed in 2011-12 through Postal Ballot :

During the year 2011-12, no special resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing special resolutions through Postal Ballot.

- d) Extraordinary General Meeting :

No Extraordinary General Meeting of the members was held during the year 2011-12.

## 5. OTHER DISCLOSURES

- a) The particulars of transactions between the Company and its related parties as per Accounting Standard (AS-18) are disclosed in Notes to the Financial Statements (Note No.32) in the Annual Report 2011-12. There are no materially significant related party transactions that may have had potential conflict of interest with the Company at large.
- b) The Register of Contracts is placed at the meetings of the Board of Directors as per the requirements of the Companies Act, 1956 and all the related party transactions that has been entered into by the Company during the year under review, requiring entry in the Register of Contracts maintained as provisions of Section 301 of the Companies Act, 1956 have been duly entered therein.
- c) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.
- d) The Company has established a robust risk assessment and minimisation procedure and the same is reviewed regularly by the Audit Committee and the Board of Directors.
- e) During the FY ended 2011-12, 97,00,000 7%, Non-Cumulative Redeemable Preference Shares have been issued to promoter and other investors. The relevant details have already been provided in the Director's Report.
- f) The relevant disclosures on the remuneration of Directors have been included under "Remuneration Policy" in this report.
- g) Management Discussion and Analysis Report forms a part of the Director's Report.

## Corporate Governance Report

- h) The Company has duly complied with the requirements of all regulatory authorities on Capital Markets. No penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- i) The Board has received disclosures from Senior Management Personnel relating to material financial and commercial transactions in which they and/or their relatives have personal interest.
- j) The Company has fully complied with the mandatory requirements of the Listing Agreement and with regard to Non-Mandatory requirements; the Company has set up a Remuneration Committee and a Finance Committee.
- k) Though the Company does not have a Whistle Blower Policy at present, the Company promotes ethical behavior in all its business activities. All employees are free to approach the Audit Committee to raise their concerns relating to fraud, malpractice or any other activity or event, which is against the Company's interest.
- l) The Company does not have any subsidiary.
- m) Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is annexed to the Notice convening the Annual General Meeting.

### 6. MEANS OF COMMUNICATION :

<b>(a) Quarterly Results :</b>	At Board of Directors' Meeting held on : <input type="checkbox"/> 12th August, 2011 <input type="checkbox"/> 1st December, 2011 <input type="checkbox"/> 27th February, 2012
<b>(b) (i) Which newspapers normally published in :</b> English  Bengali	<input type="checkbox"/> Business Standard, (All editions) <input type="checkbox"/> Economic Times, (All editions) <input type="checkbox"/> Arthik Lipi (Kolkata), Dainik Statesman (Kolkata)
<b>(ii) Any Website displayed :</b>	<input type="checkbox"/> www.kicmetaliks.com, www.bseindia.com
<b>(c) Whether Website also displays official news releases</b>	<input type="checkbox"/> Yes
<b>(d) Whether presentations made to institutional investors or analysts</b>	<input type="checkbox"/> No

### 7. GENERAL SHAREHOLDER INFORMATION :

<b>(a) AGM :</b> Date Time Venue	<input type="checkbox"/> 28th September, 2012 (Friday) <input type="checkbox"/> 10:00 A.M. <input type="checkbox"/> "Rotary Sadan" 94/2, Chowringee Road, Kolkata - 700 020
<b>(b) Financial Calendar (tentative and subject to change)</b>	
Financial reporting for the quarter ending 30th June, 2012	<input type="checkbox"/> By End July, 2012
Financial reporting for the quarter ending 30th September, 2012	<input type="checkbox"/> By End October, 2012
Financial reporting for the quarter ending 31st December, 2012	<input type="checkbox"/> By End January, 2013
Financial reporting for the year ending 31st March, 2013	<input type="checkbox"/> By End May, 2013
<b>(c) Book Closure period</b>	<input type="checkbox"/> From 22nd September, 2012 to 28th September, 2012 (both days inclusive)
<b>(d) Dividend Payment Date</b>	<input type="checkbox"/> The Directors have not recommended any dividend for the FY 2011 - 2012.

## Corporate Governance Report

### (e) Listing on Stock Exchanges

The Company's securities are currently listed at "The Bombay Stock Exchange Limited" (BSE)

☐ Scrip Code - 513693  
Scrip ID-KAJARIR

### (f) Listing & Custodian Fees for the year 2012-13

The Company has paid the Listing Fees for the year 2012-2013 to the above Stock Exchange. The Company has also paid custodian fees for the year 2012-13 to National Securities Depository Limited and Central Depository Services (India) Limited.

☐ ISIN No. : INE 434C01019  
Depository Connectivity :  
NSDL and CDSL.

### (g) Market Price Data :

High/low (based on the closing prices) and number of shares traded during each month in the FY 2011-12 on the Bombay Stock Exchange

Month	High Price(₹)	Low Price (₹)	Close Price (₹)	No. of Shares	BSE Sensex Close
April 2011	345.00	204.00	330.05	1,44,009	19135.96
May 2011	350.00	265.00	308.10	83,139	18503.28
June 2011	328.85	250.00	258.95	37,034	18845.87
July 2011	291.80	230.00	270.60	50,161	18197.20
August 2011	305.00	219.00	273.90	1,65,634	16676.75
September 2011	310.05	256.30	275.00	1,14,844	16453.76
October 2011	281.95	257.40	265.05	14,001	17705.01
November 2011	289.90	240.00	254.30	27,626	16123.46
December 2011	278.00	172.10	189.80	10,102	15454.92
January 2012	207.95	152.00	169.95	29,371	17193.55
February 2012	183.70	142.70	156.85	3,43,989	17752.68
March 2012	165.90	120.00	143.05	29,671	17404.20

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

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

Particulars	K I C Metaliks stock price v/s BSE Sensex	
	K I C Metaliks Ltd. Share Price	BSE Sensex
On 1st April, 2011	212.00	19420.39
On 31st March, 2012	143.05	17404.20
% Change	(- )32.52	(- )10.38

### (i) Registrar and Transfer Agent

**M/s. S. K. Infosolutions Pvt. Ltd.**  
34/1A, Sudhir Chatterjee Street, Kolkata - 700 006  
Phone : 91-33-22194815/6797

### (j) Share Transfer System

Physical shares lodged for transfer are normally processed and confirmed within 15 days from the date of lodgment, if the documents are clear in all respects, by the Share Transfer Committee constituted by the Board. The Directors of the Company are severally empowered to approve the transfers. All requests for dematerialisation of physical shares are timely processed and the confirmation is given within 15 days to the depositories.

## Corporate Governance Report

### (k) Distribution of Shareholding as on 31st March, 2012 :

Range or Ordinary Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	1860	88.57	2,34,979	3.31
501 - 1000	97	4.62	78,394	1.10
1001 - 2000	44	2.10	68,923	0.97
2001 - 3000	16	0.76	43,287	0.61
3001 - 4000	12	0.57	45,252	0.64
4001 - 5000	7	0.33	32,935	0.46
5001 - 10000	21	1.00	1,59,514	2.25
10001 -50000	29	1.38	6,45,406	9.09
50001-100000	6	0.29	4,67,153	6.58
100001 and Above	8	0.38	53,23,357	74.99
<b>Total</b>	<b>2,100</b>	<b>100.00</b>	<b>70,99,200</b>	<b>100.00</b>

### (l) Category wise Shareholding as on 31st March, 2012 :

Name of the Shareholders	No. of Shares Held	% Holding
Promoters Holding	34,21,712	48.20
Non-Promoters Holding		
- Financial Institutions	-	0.00
- Bodies Corporate	28,56,207	40.23
- NRI/Foreign Company	3,521	0.05
Indian Public	8,17,760	11.52
<b>Total</b>	<b>70,99,200</b>	<b>100.00</b>

### (m) Dematerialisation of Shares and Liquidity :

Particulars of Shares	Equity Shares of ₹ 10 each	
	Number	% of Total
Dematerialised Form		
a) NSDL	51,81,235	72.98
b) CDSL	18,06,909	25.45
Sub Total	69,88,144	98.43
Physical Form	1,11,056	1.57
<b>Total</b>	<b>70,99,200</b>	<b>100.00</b>

The Shares of the Company are compulsorily traded in dematerialised form on Bombay Stock Exchange Limited; hence the shares enjoy enough liquidity in the market.

## Corporate Governance Report

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

Nil

(o) **Plant Locations :**  
Pig Iron and Cement Plant

Raturia, Angadpur, Durgapur - 713 215  
West Bengal

(p) **Address for Correspondence**

*Registered Office :*  
"Sir RNM House"  
3B, Lal Bazar Street  
4th Floor, Room No. 2  
Kolkata - 700 001  
Phone : +91-33-22103301/22135606  
Fax : +91-33-40019636  
Email : admin@kicmetaliks.com

Place : Kolkata

Dated : The 30th day of May, 2012

For and on behalf of the Board of Directors

**R. S. Jalan**

*Chairman and Managing Director*

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

We have examined the compliance of conditions of Corporate Governance by K I C Metaliks Ltd. for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month as at 31st March, 2012 against the Company as per records maintained by the Shareholders/Investor Grievance Committee.

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

For **AGARWAL MAHESHWARI & CO.**

FRN No. 314030E

*Chartered Accountants*

**D. R. Agarwal**

*Partner*

Place : Kolkata

Dated : The 30th day of May, 2012

Membership No. 051484

## CEO/CFO Certification

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

I certify that in respect of the Financial Statements for the FY ended 31st March 2012 that :

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

For **K I C METALIKS LIMITED**

Place : Kolkata

Dated : The 30th day of May, 2012

**R. S. Jalan**

*Chairman and Managing Director*

## Auditors' Report

TO  
THE MEMBERS OF  
**K I C METALIKS LIMITED**

1. We have audited the attached Balance Sheet of **K I C Metaliks Limited** as at 31st March, 2012 and also the Statement of Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
  - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
  - iii. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by in this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and notes thereon and subject to note 33 for non provision of depreciation on Coke Oven plant for ₹ 3,571,388/- (cumulative un-provided amount since 01.04.2005 being ₹ 22,451,556/-) and had it been provided on regular basis the profit for the year would have been lower by the equivalent amount of ₹ 3,571,388/- and the reserve of the company would have been lower by ₹ 22,451,556/-; give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
    - ii. In the case of the Statement of Profit & Loss, of the **Profit** of the Company for the year ended on that date.
    - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **AGARWAL MAHESWARI & CO.**  
*Chartered Accountants*  
Firm No. 314030E  
**D. R. Agarwal**  
*Partner*  
Membership No. 51484

Place : Kolkata  
Dated : The 30th day of May, 2012

## Annexure to the Auditors' Report

1.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
  - b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
  - c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
2. According to information supplied to us and to the best of our knowledge and belief and on the basis of examination of such records as made available to us :
  - a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The Company has not accepted/granted any loans during the year from/to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness was noticed in the internal control system.
5.
  - (a) In our opinion and according to the information and explanations given to us the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time in the opinion of the management.
6. The Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
7. The Company has internal audit system commensurate with the size and nature of the business of the Company.
8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the Company's Steel and Cement Units. We have broadly reviewed such accounts and records and are of the opinion that prima facie the prescribed accounts and records have been maintained but no detailed examination of such records and accounts has been carried out by us.
9.
  - a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues with the appropriate authorities.
  - b. On the basis of our examination of the documents and records, the disputed dues, which have neither been provided in the books nor deposited with appropriate authorities are as under :

## Annexure to the Auditors' Report

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

10. The Company has no accumulated losses as at 31st March, 2012. The Company has not incurred any cash losses in the financial year under report.
11. Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institutions or banks.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations received, the term loans were applied for the purpose for which the loans were obtained.
17. Based on our examination of the records and according to the information and explanations received, the Company has not applied short term borrowings for long term use.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed during the year.

Place : Kolkata

Dated : The 30th day of May, 2012

For **AGARWAL MAHESWARI & CO.**

*Chartered Accountants*

Firm No. 314030E

**D. R. Agarwal**

*Partner*

Membership No. 51484

## Balance Sheet as at 31st March, 2012

(₹ in Lakhs)

	Note No.	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	3,134.92	2,164.92
Reserves and Surplus	3	3,837.14	3,310.26
		6,972.06	5,475.18
<b>Share Application Money pending Allotment</b>		–	669.00
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	5,439.26	3,114.06
Deferred Tax Liabilities (Net)	5	579.09	414.19
Other Long-term Liabilities	6	1,068.67	256.84
Long-term Provisions	7	32.21	20.89
		7,119.23	3,805.98
<b>Current Liabilities</b>			
Short-term Borrowings	8	3,393.93	14,009.62
Trade Payables	9	11,066.85	897.82
Other Current Liabilities	10	2,019.54	2,204.43
Short-term Provisions	11	500.49	453.14
		16,980.81	17,565.01
<b>TOTAL</b>		<b>31,072.10</b>	<b>27,515.17</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	13,593.95	4,719.47
Intangible Assets	12	117.14	–
Capital Work-in-Progress		14.80	7,419.41
		13,725.89	12,138.88
Long-term Loans and Advances	13	–	52.24
		13,725.89	12,191.12
<b>Current Assets</b>			
Inventories	14	11,926.08	8,686.61
Trade Receivables	15	2,793.06	3,931.53
Cash and Cash Equivalents	16	599.72	217.76
Short-term Loans and Advances	17	475.08	768.20
Other Current Assets	18	1,552.27	1,719.95
		17,346.21	15,324.05
<b>TOTAL</b>		<b>31,072.10</b>	<b>27,515.17</b>
Significant Accounting Policies	1		

The annexed notes are an integral part of these financial statements.

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

**D. R. Agarwal**

Partner

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2012

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director

**S. K. Singhal**

Director

**Ruchika Dhanuka**  
Company Secretary

## Statement of Profit & Loss for the year ended 31st March, 2012

		(₹ in Lakhs)	
	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>REVENUE</b>			
Revenue from Operations (Net)	19	34,252.81	26,154.53
Other Income	20	595.61	503.29
<b>Total Revenue</b>		<b>34,848.42</b>	<b>26,657.82</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	12,449.89	9,527.96
Purchase of Stock-in-Trade	22	16,452.45	4,630.96
Changes in Inventories of Finished Goods and Stock-in-Trade	23	2,322.06	7,680.83
Employee Benefit Expenses	24	561.24	422.46
Finance Costs	25	373.23	881.54
Depreciation and Amortization Expenses		420.52	411.96
Other Expenses	26	1,795.66	1,351.24
		34,375.05	24,906.95
Less : Captive Consumption of Cement		20.13	45.46
<b>Total Expenses</b>		<b>34,354.92</b>	<b>24,861.49</b>
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>			
		<b>493.50</b>	<b>1,796.33</b>
Extraordinary Items	27	0.43	1.77
<b>PROFIT BEFORE TAX</b>			
		<b>493.07</b>	<b>1,794.56</b>
<b>Tax Expenses</b>			
<b>(1) Current Tax</b> [Including ₹ 1.29 Lakhs (₹ 0.04 Lakhs) for earlier years]		99.94	357.71
Less : MAT credit entitlement		98.65	495.39
Net Current Tax		1.29	(137.68)
<b>(2) Deferred Tax</b>		164.90	414.19
		166.19	276.51
<b>PROFIT AFTER TAX FOR THE YEAR</b>			
		<b>326.88</b>	<b>1,518.05</b>
Earnings per equity share in (₹)			
Basic and Diluted (Refer Note No. 35)		4.60	22.26

The annexed notes are an integral part of these financial statements.

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

**D. R. Agarwal**  
Partner  
Membership No. 051484  
Place : Kolkata  
Dated : The 30th day of May, 2012

**Ruchika Dhanuka**  
Company Secretary

For and on behalf of the Board of Directors

**R. S. Jalan**  
Chairman and Managing Director

**S. K. Singhal**  
Director

## Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lakhs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes and Extraordinary Items	493.50	1,796.33
Adjustments for :		
Depreciation and Amortization Expenses	420.52	411.96
Interest Income	(171.49)	(142.88)
Finance Costs	373.23	881.54
	622.26	1,150.62
<b>Operating Profit before Working Capital Changes</b>	<b>1,115.76</b>	<b>2,946.95</b>
Adjustments for :		
(Increase)/Decrease in Inventories	(3,239.47)	8806.65
(Increase)/Decrease in Trade Receivables	1,138.47	6943.02
(Increase)/Decrease in Other Current Assets	167.68	(1,363.23)
(Increase)/Decrease in Long-term Loans and Advances	52.24	1,620.46
(Increase)/Decrease in Short-term Loans & Advances	293.12	6,293.65
Increase/(Decrease) in Trade Payables	10,169.03	(25,093.04)
Increase/(Decrease) in Long-term Provisions	11.32	4.87
Increase/(Decrease) of Other Long-Term Liabilities	811.83	119.31
Increase/(Decrease) in Other Current Liabilities and Short-term Provisions	(137.54)	(1,960.52)
	9,266.68	(4,628.83)
<b>Cash generated from Operations</b>	<b>10,382.44</b>	<b>(1,681.88)</b>
Direct Taxes (Net)	(166.19)	(276.51)
<b>Net Cash before Extraordinary Items</b>	<b>10,216.25</b>	<b>(1,958.39)</b>
<b>Cash Flow from Sale of Fixed Assets</b>	1.29	4.33
<b>Net Cash from Operating Activities</b>	<b>10,217.54</b>	<b>(1,954.06)</b>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & Capital Work-in-Progress	(2,009.25)	(6,553.50)
Interest Received	171.49	142.88
<b>Net Cash used in Investing Activities</b>	<b>(1,837.76)</b>	<b>(6,410.62)</b>

## Cash Flow Statement for the year ended 31st March, 2012

(₹ in Lakhs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital including Premiums	1,170.00	2,100.00
Proceeds of Share Application	(669.00)	669.00
Increase/(Decrease) in Working Capital	1,094.27	(2,029.54)
Proceeds from Long-term Borrowings	4,472.80	3,049.19
Rapayment of Long-term Borrowings	(2,147.60)	–
Proceeds from Short-term Borrowings	–	4,394.43
Repayment of Short-term Borrowings	(11,709.96)	–
Increase in Deferred Tax Liability (Net)	164.90	414.19
Finance Costs	(373.23)	(881.54)
<b>Net Cash (used in)/From Financing Activities</b>	<b>(7,997.82)</b>	<b>7,715.73</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	381.96	(648.95)
Cash and Cash Equivalents as at the beginning of the year	217.76	866.71
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>599.72</b>	<b>217.76</b>

- Notes :** (i) The above Cash Flow Statement has been Prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on "Cash Flow Statement" notified in the Companies (Accounting Standard) Rules, 2006.
- (ii) Previous year figures have been regrouped/reclassified, wherever considered necessary.

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

**D. R. Agarwal**  
Partner

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2012

For and on behalf of the Board of Directors

**R. S. Jalan**  
Chairman and Managing Director

**S. K. Singhal**  
Director

**Ruchika Dhanuka**  
Company Secretary

### AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of K I C Metaliks Ltd. for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with the Stock Exchange and is based on and in agreement with the corresponding Statement of Profit & Loss and Balance Sheet of the Company covered by our report of 30th May, 2012 to the members of the Company.

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

**D. R. AGARWAL**  
Partner

Place : Kolkata

Dated : The 30th day of May, 2012

Membership No. 051484

## Notes to the Financial Statements for the year ended 31st March, 2012

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### a) Basis of Accounting

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

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

#### b) Fixed Assets and Depreciation/Amortisation

- i) Fixed Assets are stated at cost less Cenvat Credit on specific Fixed Assets and subsequent improvements thereto including non-cenvatable taxes, duties, freight and other incidental expenses related to acquisition and installation are added to the cost of fixed assets.
- ii) Software cost relating to acquisition of initial software cost and installation cost are capitalized in the year of purchase.
- iii) The expenditure incurred on technical know-how and on technical services and related expenses are capitalized.
- iv) Depreciation on fixed assets has been provided on straight line method at rates which are in conformity with the requirements of Schedule XIV of the Companies Act, 1956. Provision for depreciation on Blast Furnace Plant as a whole has been computed at the rates prescribed for Continuous Process Plant as per Schedule XIV of the Companies Act, 1956. Leasehold Assets are amortized over the period of lease.

#### c) Capital Work-in-progress

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

#### d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales are recognized on transfer of significant risk and rewards of ownership which generally coincide with the dispatch of the goods. Sales are stated at net of sales tax, VAT, trade discount, rebates but include excise duty.

#### e) Inventories

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

#### f) Foreign Currency Transaction

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

## Notes to the Financial Statements for the year ended 31st March, 2012

### g) Borrowing Cost

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

### h) Taxation

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

### i) Prior Period Adjustments

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

### j) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard - 28 on Impairment of Assets, when at balance sheet date there are indications of impairment and the carrying amount exceeds its recoverable amount the reduction is recognized as an impairment loss in the statement of profit and loss.

### k) Employee Benefits

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

### l) Earnings Per Share

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard 20. Basic EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

### m) Cash Flow Statement

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

### n) Treatment of Contingent Liabilities

Contingent Liabilities if any are disclosed by way of Notes.

## Notes to the Financial Statements for the year ended 31st March, 2012

	As at 31.03.2012		As at 31.03.2011	
	(Number)	(₹ in Lakhs)	(Number)	(₹ in Lakhs)
<b>2) SHARE CAPITAL</b>				
a) <b>Authorised</b>				
Equity Shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Preference Shares of ₹10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
<b>TOTAL</b>		<b>5,000.00</b>		<b>2,500.00</b>
b) <b>Issued, Subscribed and Fully Paid-up</b>				
<b>Equity Shares of ₹10/- each fully paid up</b>				
Balance at the beginning of the Year	7,099,200	709.92	5,599,200	559.92
Add : Addition during the Year	–	–	1,500,000	150.00
<b>Balance at the end of the Year 'A'</b>	<b>7,099,200</b>	<b>709.92</b>	<b>7,099,200</b>	<b>709.92</b>
<b>7% Redeemable Non-Cumulative Preference Shares of ₹ 10/- each fully paid up</b>				
Balance at the beginning of the Year	14,550,000	1,455.00	–	–
Add : Addition during the Year	9,700,000	970.00	14,550,000	1,455.00
<b>Balance at the end of the Year 'B'</b>	<b>24,250,000</b>	<b>2,425.00</b>	<b>14,550,000</b>	<b>1,455.00</b>
<b>TOTAL (A+B)</b>		<b>3,134.92</b>		<b>2,164.92</b>

c) **List of shareholders holding more than 5 percent shares in the Company :**

**Equity Shares**

Name of Shareholders	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
i) Karni Syntex Pvt. Ltd.	3,421,712	48.20	3,421,712	48.20
ii) Flamingo Overseas Pvt. Ltd.	610,000	8.59	610,000	8.59

**7% Redeemable Non-Cumulative Preference Shares**

Name of Shareholders	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
i) Shivsai Tieup Pvt. Ltd.	6,650,000	27.42	2,400,000	16.49
ii) Stardox Vinimoy Pvt. Ltd.	3,070,000	12.66	2,570,000	17.66
iii) Ushita Trading & Agencies Ltd.	2,530,000	10.43	2,180,000	14.98
iv) Divya Electronics Pvt. Ltd.	1,900,000	7.84	800,000	5.50
v) Potential Electricals & Electronics Pvt. Ltd.	1,550,000	6.39	1,100,000	7.56
vi) Hariom Suppliers Pvt. Ltd.	1,400,000	5.77	1,400,000	9.62

**Rights, preferences and restrictions attached to shares :**

- The equity shares of the Company have par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. All these equity shares have same right with respect to payment of dividend, repayment of capital and voting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of preferential amounts, in proportion to their shareholding.
- The preference shares would be redeemable at the end of twelfth year from the date of allotment but may be redeemed at any time after five years from the date of allotment at the option of the Company, subject to approval from statutory bodies and financial institutions, if any. The preference shares would carry a fixed non-cumulative dividend of 7% p.a.

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
<b>3) RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the Year	300.00	300.00
Add : Addition during the Year	–	–
<b>Balance at the end of the Year 'A'</b>	<b>300.00</b>	<b>300.00</b>
<b>Securities Premium Reserve</b>		
Balance at the beginning of the Year	1,773.88	1,278.88
Add : Addition during the Year	200.00	495.00
<b>Balance at the end of the Year 'B'</b>	<b>1,973.88</b>	<b>1,773.88</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the Year	1,236.38	(281.67)
Add : Profit after Tax for the Year	326.88	1,518.05
<b>Balance at the end of the Year 'C'</b>	<b>1,563.26</b>	<b>1,236.38</b>
<b>Total (A+B+C)</b>	<b>3,837.14</b>	<b>3,310.26</b>
<b>4) LONG-TERM BORROWINGS</b>		
<b>Term Loans</b>		
From Banks (Secured)	4,472.80	–
From Others (Unsecured)	935.77	3,079.47
Deferred Payment Liabilities (Secured)	30.69	34.59
	<b>5,439.26</b>	<b>3,114.06</b>
<p>The Term Loan from bank is repayable in 20 equal quarterly instalments of ₹ 275.00 Lakhs each commencing from June, 2012. The rate of interest on Term Loan from Banks varies from 14.25% to 15.25% and secured by way of first charge on entire Fixed assets of the Company and second charge by way of hypothecation on the entire stocks of inventory, receivables, bills and other chargeable current assets of the Company (both present and future) and Corporate guarantee of Promoter Company and Personal guarantee of Promoter Director. Deferred payment liability are secured by way of hpothecation of respective assets, acquired on deferred payment credit basis.</p>		
	As at 31.03.2012	As at 31.03.2011
<b>5) DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Difference between Book and Tax Depreciation	781.60	784.48
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation & Business Losses as per Income Tax Act	189.14	359.37
Provision for Employee Benefits	10.45	6.94
Others	2.92	3.98
	<b>202.51</b>	<b>370.29</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>579.09</b>	<b>414.19</b>
<b>6) OTHER LONG-TERM LIABILITIES</b>		
For Capital Assets	1,068.67	256.84
	<b>1,068.67</b>	<b>256.84</b>

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
<b>7) LONG-TERM PROVISIONS</b>		
Provision for employee benefits	32.21	20.89
	<b>32.21</b>	<b>20.89</b>
<b>8) SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
Working capital loans from Banks (Secured)	1,696.78	602.51
Other Loans and Advances	1,697.15	13,407.11
	<b>3,393.93</b>	<b>14,009.62</b>

The working capital loans are secured by way of first charge by way of hypothecation of current assets of the Company comprising stock of raw materials, stock-in-process, finished goods, stores and book debts, both present and future and second charge on fixed assets of the Company and corporate guarantee of promoter company and personal guarantee of promoter director.

	As at 31.03.2012	As at 31.03.2011
<b>9) TRADE PAYABLES</b>		
Total Outstanding due of Creditors	11,066.85	897.82
	<b>11,066.85</b>	<b>897.82</b>

There are no Micro, Small and Medium Class Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. The above information regarding Micro, Small and Medium Class Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

	As at 31.03.2012	As at 31.03.2011
<b>10) OTHER CURRENT LIABILITIES</b>		
Current Maturities of Term Loan of Banks	1,100.00	–
Current Maturities of Deferred Payment Liabilities	33.16	22.83
<b>Other Payables</b>		
Statutory Liabilities	226.60	397.98
Advances from Customers	605.60	1,624.19
Current Account with Scheduled Banks (Due to excess issue of Cheques)	22.94	131.10
Other payables	31.24	28.33
	<b>2,019.54</b>	<b>2,204.43</b>
<b>11) SHORT-TERM PROVISIONS</b>		
Provision for Excise Duty	44.17	62.49
Provision for Taxation	456.32	390.65
	<b>500.49</b>	<b>453.14</b>

## Notes to the Financial Statements for the year ended 31st March, 2012

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2011	Additions/ Capitalised during the Year	Deduction/ Adjustment during the Year	Total Cost as at 31.03.12	Upto 01.04.11	For the year	Adjustment during the year	Upto 31.03.12	As on 31.03.12	As on 31.03.11
<b>I. TANGIBLE ASSETS</b>										
Lease hold Land	187.19	-	-	187.19	42.95	3.74	-	46.69	140.50	144.24
Building and Shed - Factory	620.84	1,027.56	-	1,648.40	267.86	20.74	-	288.60	1,359.80	352.98
Building - Other	27.24	-	-	27.24	2.34	0.45	-	2.79	24.45	24.90
Plant and Equipments	6,205.88	8,214.70	-	14,420.58	3,184.85	336.89	-	3,521.74	10,898.84	3,021.03
Coke Oven Plant	676.40	-	-	676.40	13.97	-	-	13.97	662.43	662.43
Furniture and Fixtures	39.04	5.54	-	44.58	36.36	2.73	-	39.09	5.49	2.68
Vehicles	232.40	40.95	3.12	270.23	91.80	28.72	1.40	119.12	151.11	140.60
Office Equipments	22.50	5.35	-	27.85	13.55	1.14	-	14.69	13.16	8.95
Computers	26.86	2.59	-	29.45	23.23	4.50	-	27.73	1.72	3.63
Total	8,038.35	9,296.69	3.12	17,331.92	3,676.91	398.91	1.40	4,074.42	13,257.50	4,361.44
Assets given on Lease										
Building & Shed	256.48	-	-	256.48	85.88	8.57	-	94.45	162.03	170.60
Plant and Equipments	246.38	-	-	246.38	58.99	13.00	-	71.99	174.39	187.39
Furniture and Fixtures	0.15	-	-	0.15	0.11	0.01	-	0.12	0.03	0.04
Total Assets given on Lease	503.01	-	-	503.01	144.98	21.58	-	166.56	336.45	358.03
<b>Total Tangible Assets</b>	<b>8,541.36</b>	<b>9,296.69</b>	<b>3.12</b>	<b>17,834.93</b>	<b>3,821.89</b>	<b>420.49</b>	<b>1.40</b>	<b>4,240.98</b>	<b>13,593.95</b>	<b>4,719.47</b>
PREVIOUS YEAR	7,960.97	590.47	10.08	8,541.36	3,413.91	411.96	3.98	3,821.89	4,719.47	-
<b>II. INTANGIBLE ASSETS</b>										
Computer Software	-	5.22	-	5.22	-	0.03	-	0.03	5.19	-
Know-How	-	111.95	-	111.95	-	-	-	-	111.95	-
<b>Total Intangible Assets</b>	<b>-</b>	<b>117.14</b>	<b>-</b>	<b>117.14</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>	<b>117.14</b>	<b>-</b>
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>8,541.36</b>	<b>9,413.86</b>	<b>3.12</b>	<b>17,952.10</b>	<b>3,821.89</b>	<b>420.52</b>	<b>1.40</b>	<b>4,241.01</b>	<b>13,711.09</b>	<b>4,719.47</b>
PREVIOUS YEAR	7,960.97	590.47	10.08	8,541.36	3,413.91	411.96	3.98	3,821.89	4,719.47	-

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	As at 31.03.2012	As at 31.03.2011
<b>13) LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances for Capital goods	–	52.24
	–	<b>52.24</b>
<b>14) INVENTORIES</b>		
(As valued and certified by the Management, valued at Cost or net realisable value whichever is lower)		
Raw Materials [Included Goods in Transit ₹ 54.82 Lakhs (Previous year Nil)]	9,938.21	3,907.92
Finished Goods	401.58	1,185.22
Stock-in-Trade	1,252.50	3,306.96
Stores and Spares	333.79	286.51
	<b>11,926.08</b>	<b>8,686.61</b>
<b>15) TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	92.17	62.31
Others	2,700.89	3,869.22
	<b>2,793.06</b>	<b>3,931.53</b>
<b>16) CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In Current Account	7.54	23.13
In Fixed deposits Account (Pledged with Bank as Margin Money for Letter of Credit)	586.76	182.04
Cash-on-Hand	5.42	12.59
	<b>599.72</b>	<b>217.76</b>
<b>17) SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances to Parties (Recoverable in cash or in kind or value to be received)	475.08	768.20
	<b>475.08</b>	<b>768.20</b>
<b>18) OTHER CURRENT ASSETS</b>		
Balance with Revenue authorities	823.63	1,091.12
Balance with Port Trust	22.25	23.62
MAT Credit Entitlement	594.05	495.39
Security Deposit	112.34	109.82
	<b>1,552.27</b>	<b>1,719.95</b>

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	For the year ended 31.03.2012	For the year ended As at 31.03.2011
<b>19) REVENUE FROM OPERATIONS (NET)</b>		
Sale of Products (Refer Note 37)	35,593.13	27,018.24
Less : Excise duty	1,340.32	863.71
	<b>34,252.81</b>	<b>26,154.53</b>
<b>20) OTHER INCOME</b>		
Interest Income	171.49	142.88
Commission Received	388.77	–
Net Foreign Exchange Gain	(5.21)	231.00
Lease Rental	36.00	24.00
Sundry Liabilities relating to earlier year written back	4.52	9.20
Miscellaneous Receipts	0.04	96.21
	<b>595.61</b>	<b>503.29</b>
<b>21) COST OF MATERIALS CONSUMED</b>		
<b>Raw Materials consumed</b>		
Opening Stock	3,907.92	3,016.81
Add : Purchases	17,964.14	7,672.05
Transfer from Traded Goods	516.04	2,043.01
Coke Conversion Charges	–	704.01
	<b>22,388.10</b>	<b>13,435.88</b>
Less : Closing Stock	9,938.21	3,907.92
	<b>12,449.89</b>	<b>9,527.96</b>
<b>Raw Material consumption comprises</b>		
Iron Ore	4,345.21	4,059.81
Coke	7,613.36	5,104.76
Clinker	23.67	83.28
Others	467.65	280.11
<b>Total Raw Material Consumed</b>	<b>12,449.89</b>	<b>9,527.96</b>
<b>22) PURCHASE OF STOCK-IN-TRADE</b>		
Coke & Coal	15,780.06	4,144.27
Others	672.39	486.69
	<b>16,452.45</b>	<b>4,630.96</b>

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	For the year ended 31.03.2012	For the year ended As at 31.03.2011
<b>23) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>		
Closing Stock of Finished Goods	401.58	1,185.22
Traded Goods	1,252.50	3,306.96
	<u>1,654.08</u>	<u>4,492.18</u>
Less : Opening Stock of Finished Goods	1,185.22	1,134.56
Traded Goods	3,306.96	13,081.46
	<u>4,492.18</u>	<u>14,216.02</u>
Less : Transfer to Raw Material	516.04	2,043.01
	<u>3,976.14</u>	<u>12,173.01</u>
(Increase)/Decrease in Inventory	<u>2,322.06</u>	<u>7,680.83</u>
<b>24) EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages including Bonus	511.63	376.17
Contribution to Provident and Other Funds	26.98	24.07
Staff Welfare Expenses	22.63	22.22
	<u>561.24</u>	<u>422.46</u>
<b>25) FINANCE COSTS</b>		
Interest Expense	373.23	881.54
	<u>373.23</u>	<u>881.54</u>
<b>26) OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	253.04	170.26
Power and Fuel	872.97	538.04
Rent	10.15	9.43
Repairs to Buildings	0.53	4.60
Repairs to Machinery	15.57	12.73
Insurance	6.87	2.52
Rates and Taxes, excluding Taxes on Income	8.92	11.23
Carriage outwards	347.08	347.67
Irrecoverable Debts and Advances written off	7.77	17.39
<b>Payment to Auditor</b>		
For Statutory Audit	2.00	2.00
For Taxation Matters	0.50	0.50
For Other Services	0.73	0.75
For Reimbursement of Expenses	—	—
Excise Duty and Cess on change on Finished Goods (Refer Note 36 )	(18.31)	(22.60)
Miscellaneous Expenses	287.84	256.72
	<u>1,795.66</u>	<u>1,351.24</u>

## Notes to the Financial Statements for the year ended 31st March, 2012

(₹ in Lakhs)

	For the year ended 31.03.2012	For the year ended As at 31.03.2011
<b>27) EXTRAORDINARY ITEMS</b>		
Loss on Sale/Discard of Fixed Assets	0.43	1.77
	<b>0.43</b>	<b>1.77</b>

**28)** Estimated amount of contracts remaining to be executed (Net of Advances) on capital account and not provided for ₹ NIL (Previous Year ₹ 552.14 Lakhs).

**29)** Contingent Liabilities not provided for in respect of :

- Excise Duty Matters pending ₹ 127.08 Lakhs (Previous Year ₹ 132.15 Lakhs) Plus Interest and Penalty if any.
- Jharkhand Entry Tax Matters pending ₹ 81.75 Lakhs (Previous Year ₹ 81.75 Lakhs).
- Electricity Matters with The Durgapur Projects Limited pending ₹ 97.94 Lakhs (Previous Year ₹ 97.94 Lakhs).

**30) Employee Benefits :** Disclosure Pursuant to Accounting Standards (15) (Revised 2005). The Employee's gratuity scheme is unfunded and the Actuarial Valuation of Gratuity Scheme is prepared as at 31st March, 2012 under revised AS -15 norms and accordingly ₹ 6.64 Lakhs has been provided in the books in the current financial year.

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

	As at 31.03.2012	As at 31.03.2011
<b>Assets/Liabilities</b>		
1. Present Value of Obligation	26.62	20.89
2. Fair Value of Plan Assets	NIL	NIL
3. Net Asset/(Liability) recognized in Balance Sheet	<b>(26.62)</b>	<b>(20.89)</b>

	For the year ended 31.03.2012	For the year ended 31.03.2011
<b>Employer Expense</b>		
1. Current Service Cost	4.41	3.08
2. Total Employer Expense	<b>(6.64)</b>	<b>(11.89)</b>

ii] **Summary of Membership Data**

	As at 31.03.2012	As at 01.04.2011
Number of employees	274	213
Total Monthly Salary (₹ in Lakhs)	14.45	10.64
Average past service (years)	4.06	4.44
Average future service (years)	23.11	21.39

iii] **Summary of Financial Assumption Data**

	As at 31.03.2012	As at 01.04.2011
Discount Rate per annum Compound	8.50%	8.25%
Rate of increase in salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	23.11%	21.39%

## Notes to the Financial Statements for the year ended 31st March, 2012

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

### NET ASSET/(LIABILITY) RECOGNIZED IN THE BALANCE SHEET - 1ST APRIL, 2011

(₹ in Lakhs)

<b>A. Funded Status</b>	
1. Present value of Defined Benefit Obligation	20.89
2. Fair value of Plan Assets	–
3. Funded status [Surplus/(Deficit)]	(20.89)
4. Effect of Balance Sheet Asset Limit	–
5. Unrecognized Past Service Costs	–
6. Net Asset/(Liability) recognized in Balance Sheet	<b>(20.89)</b>
<b>Total expense recognized in the Statement of Profit &amp; Loss Year Ended 31st March, 2012</b>	
<b>A. Components of Employer Expense</b>	
1. Current Service Cost	4.41
2. Interest Cost	1.78
3. Expected return of Plan Assets	–
4. Curtailment of Cost/(Credit)	–
5. Settlement Cost/(Credit)	–
6. Amortization of Past Service Cost	–
7. Actuarial Losses/(Gains)	0.45
8. Total expense recognized in the Statement of Profit & Loss	<b>6.64</b>
<b>B. Actual Contribution and Benefits Payments for period ended 31st March, 2012</b>	
1. Actual benefit payments	0.91
2. Actual Contributions	0.91
<b>Net Asset/(Liability) recognized in the Balance Sheet - 31st March, 2012</b>	
<b>A. Funded Status</b>	
1. Present value of Defined Benefit Obligation	26.62
2. Fair value of Plan Assets	–
3. Funded status [Surplus/(Deficit)]	(26.62)
4. Effect of Balance Sheet Asset Limit	–
5. Unrecognized Past Service Costs	–
6. Net Asset/(Liability) recognized in Balance Sheet	(26.62)
i. Net Asset/(Liability) recognized in Balance Sheet at beginning period	(20.89)
ii. Employer expense	6.64
iii. Employer Contribution	0.91
iv. Net Asset/(Liability) recognized in Balance Sheet at end of the period	<b>(26.62)</b>

## Notes to the Financial Statements for the year ended 31st March, 2012

### RECONCILIATION OF DEFINED BENEFIT OBLIGATIONS AND FAIR VALUE OF ASSETS

(₹ in Lakhs)

A. Change in Defined Benefit Obligations		
1.	Present value of Defined Benefit Obligation at beginning of period	20.89
2.	Current Service Cost	4.41
3.	Interest Cost	1.78
4.	Curtailment Cost/(Credit)	–
5.	Settlement Cost/(Credit)	–
6.	Employee Contribution	–
7.	Plan Amendments	–
8.	Acquisitions	–
9.	Actuarial (Gains)/Losses	0.45
10.	Benefit Paid	(0.91)
11.	Present value of Defined benefit obligation at the end of period	<b>26.62</b>
B. Change in Fair Value of Assets		
1.	Plan Assets at beginning of period	–
2.	Actual return on Plan Assets	–
3.	Actual Company Contributions	0.91
4.	Employee Contributions	–
5.	Benefits Paid	(0.91)
6.	Plan Assets at the end of period	–

**31)** i. Based on the risks and returns associated with the business operations and in terms of Accounting Standard-17, the Company is predominantly engaged in a single reportable segment of Iron and Steel during the year. The risks and returns of manufacturing of Pig Iron and trading of its raw material are directly associated with Iron and Steel business and hence treated as a single reportable business segment. The other activities for Cement manufacturing is less than 10% of Total Revenue and hence there are no additional disclosures to be made under Accounting Standard-17, other than those already provided in the financial statements.

ii. Geographical Segments

a) The following table shows the distribution of the Company's sales by Geographical Market :

(₹ in Lakhs)

	2011-12	2010-11
<b>Revenue</b>		
India	35,593.13	27,018.24
Outside India	–	–
	<b>35,593.13</b>	<b>27,018.24</b>

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

## Notes to the Financial Statements for the year ended 31st March, 2012

### 32) RELATED PARTY DISCLOSURES

#### a) List of Related Parties and relationship

Party	Relationship
<b>I. KEY MANGEMENT PERSONNEL</b>	
A. Mr. Radhey Shyam Jalan	Managing Director
B. Mr. Pradeep Chandra Sahoo	Executive Director
<b>II. RELATED PARTY</b>	
A. Karni Syntex Pvt. Ltd.	Promoter Company

(₹ in Lakhs)

	2011-12	2010-11
b) Transaction During the year		
1) With Key management Personnel		
i) Directors' Remuneration	20.78	11.02
2) With Promoter Company		
i) Equity Shares Issued	–	322.50
ii) Share Application for Redeemable Non-Cumulative Preference Shares Received	26.00	59.00
iii) Share Application for Redeemable Non-Cumulative Preference Shares Refunded	85.00	–

**33)** Depreciation on Coke Oven Plant has not been provided during the year, since the Plant was not in operation due to commercial reasons. The total unprovided depreciation is ₹ 224.52 Lakhs (Previous year ₹ 188.80 Lakhs) which has not been charged in the Statement of Profit and Loss in the current year as well as in the earlier years since 30th September, 2005.

**34)** The outstanding balances of Contractors, Suppliers, Debtors, Creditors and others are subject to confirmation and reconciliation.

**35)** As required by Accounting Standard AS - 20 "Earnings per Share" necessary figures are furnished below :

	2011-12	2010-11
a) Profit after taxation (₹ in Lakhs)	326.88	1518.05
b) Weighted average No. of Equity Shares	7,099,200	6,815,638
c) Weighted average No. of Equity Shares for diluted EPS	7,099,200	6,815,638
d) Face value of Equity Shares (₹)	10	10
e) EPS (Basic) (₹)	4.60	22.26
f) EPS (Diluted) (₹)	4.60	22.26

**36)** Excise duty and cess on stock represent differential excise duty and cess on opening and closing stock of finished goods.

## Notes to the Financial Statements for the year ended 31st March, 2012

### 37) PARTICULARS IN RESPECT OF SALES, CLOSING STOCK & OPENING STOCK

Class of products	Year	Sales (₹ in Lakhs)	Closing Stock (₹ in Lakhs)	Opening Stock (₹ in Lakhs)
<b>Manufactured Goods</b>				
Pig Iron	2011-12	14,085.88	386.94	668.08
	2010-11	9,091.19	668.08	539.56
Portland Slag Cement	2011-12	35.25	–	–
	2010-11	113.29	–	–
C. I. Castings	2011-12	–	–	–
	2010-11	335.18	–	370.96
Others	2011-12	876.28	14.64	517.14
	2010-11	799.35	517.14	224.04
<b>Traded Goods</b>				
Coke & Coal	2011-12	19,927.47	1,021.18	3,306.96
	2010-11	15,717.62	3,306.96	13,042.66
Others	2011-12	668.25	231.32	–
	2010-11	961.61	–	38.80
<b>TOTAL</b>	<b>2011-12</b>	<b>35,593.13</b>	<b>1,654.08</b>	<b>4,492.18</b>
	2010-11	27,018.24	4,492.18	14,216.02

### 38) PARTICULARS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	2011-12		2010-11	
	(₹ in Lakhs)	%	(₹ in Lakhs)	%
<b>Consumption of Raw Materials</b>				
Imported	2.17	0.02	–	–
Indigenous	12,447.72	99.98	9,527.96	100.00
<b>TOTAL</b>	<b>12,449.89</b>	<b>100.00</b>	<b>9,527.96</b>	<b>100.00</b>
<b>Consumption of Stores &amp; Spares</b>				
Imported	–	–	–	–
Indigenous	253.04	100.00	170.26	100.00
<b>TOTAL</b>	<b>253.04</b>	<b>100.00</b>	<b>170.26</b>	<b>100.00</b>

### 39) C.I.F. VALUE OF IMPORT

	(₹ in Lakhs)	
	2011-12	2010-11
For Raw Material	127.70	–
For Purchase of Stock-in-Trade	572.65	–
For Capital Assets	80.44	1,465.99

## Notes to the Financial Statements for the year ended 31st March, 2012

- 40) In the opinion of the Board and to the best of their knowledge and belief, the value of the realization of Current Assets, Loan and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
- 41) The financial statements for the year ended 31st March, 2011 has been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

**D. R. Agarwal**

*Partner*

Membership No. 051484

Place : Kolkata

Dated : The 30th day of May, 2012

For and on behalf of the Board of Directors

**R. S. Jalan**

*Chairman and Managing Director*

**S. K. Singhal**

*Director*

**Ruchika Dhanuka**  
*Company Secretary*

## Notice of Annual General Meeting

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of K I C METALIKS LIMITED will be held on Friday, the 28th day of September, 2012 at 10.00 a.m. at "Rotary Sadan (Shripati Singhania Hall)", 94/2, Chowringhee Road, Kolkata - 700 020 to transact the following business :

### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss of the Company for the year ended on that date along with all annexures and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. K. Singhal who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### AS SPECIAL BUSINESS :

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

**"RESOLVED THAT** pursuant to the provisions of Sections 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from present ₹ 50,00,00,000/- (Rupees Fifty Crores) divided into 2,50,00,000 Equity Shares of ₹ 10/- each and 2,50,00,000 Preference Shares of ₹ 10/- each, to ₹ 75,00,00,000/- (Rupees Seventy Five Crores), divided into 2,50,00,000 Equity Shares of ₹ 10/- each and 5,00,00,000 Preference Shares of ₹ 10/- each by creation of additional 2,50,00,000 Preference Shares of ₹ 10/- each, ranking pari passu in all respect with existing Preference Shares of the Company."

**"RESOLVED FURTHER THAT** consequent upon the increase of Authorised Capital as aforesaid, subject to the approvals, consents, permission and sanctions as may be necessary from the appropriate authorities or bodies, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows :-

V. "The Authorised Share Capital of the Company is ₹ 75,00,00,000/- (Rupees Seventy Five crores) divided into 2,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each and 5,00,00,000 Preference Shares of ₹ 10/- (Rupees Ten) each with rights, privileges and conditions attaching hereto as are provided by the Articles of Association of the Company, for the time being with power to increase or reduce the capital and to divide and sub-divide the shares into several classes and to attach thereto, respectively, such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with Articles of Association of the Company for the time being and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided by the Articles of Association of the Company for the time being."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorised to take all the necessary steps, do all such acts, deeds, matters and things and to make, execute, apply, initiate, sign and file all such applications, writings, instruments, papers, documents, deeds, forms as may be necessary on behalf of the Company or as the Board may in its absolute discretion deem necessary or desirable and delegate the said authority to any person(s) as they may deem fit in their discretion, for the purpose of giving effect to this resolution."

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

**"RESOLVED THAT** Mr. Barun Kumar Singh who was appointed with effect from 30th May, 2012 as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies

## Notice of Annual General Meeting

Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

6. To appoint Mr. Barun Kumar Singh as Whole time Director designated as Executive Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** subject to approval of the Central Government, if required and such other consents, permissions and approvals as may be required and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act") read with Schedule XIII to the Act (as amended), the Company hereby accords its approval to the appointment of Mr. Barun Kumar Singh as a Whole time Director designated as Executive Director of the Company, for a period of 3 (three) years with effect from 30th May, 2012, on the terms and conditions including remuneration as set out in the Explanatory Statement as annexed hereto convening this meeting, with liberty of the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Act or any statutory modification(s) or re-enactment thereof."

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

By Order of the Board  
For **K I C METALIKS LIMITED**  
**Ruchika Dhanuka**  
*Company Secretary*

Place : Kolkata

Dated : The 30th day of May, 2012

### NOTES :

1. The details under clause 49 of the Listing Agreement with Stock Exchange in respect of Directors proposed to be appointed/re-appointed at the Twenty-Fifth Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THIS ANNUAL GENERAL MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2012 to 28th September, 2012 (both days inclusive).
4. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the Meeting Hall.
5. Members, who hold shares in de-materialised form, are requested to bring their Client I.D. and DP I.D. Nos. for easier identification of attendance at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their registered address with PINCODE alongwith address proof and bank particulars to the Company or to its Registrar & Share Transfer Agent quoting reference of their folio number and in case their shares are held in dematerialised form, this information should be passed on to their respective Depository Participants.

## Notice of Annual General Meeting

7. A member desirous of getting any information on the accounts or operations of the Company or share related matter is requested to forward his/her query(ies) to the Company at least ten (10) days prior to the meeting to enable the management to keep the required information readily available at the meeting.
8. Section 109A of the Companies Act, 1956 extends nomination facility to individual shareholders of the Company. Therefore the shareholders holding share certificates in physical form and willing to avail this facility by submitting details in the prescribed format, which may be obtained from the Company's Registrar & Share Transfer Agent. However, in case of Demat holdings, the shareholders should approach to their respective Depository Participants for making nominations.

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### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item 4

The present Authorised Share Capital of the Company is ₹ 50,00,00,000 (Fifty Crores Only) divided into 2,50,00,000 (Two Crores and Fifty Lakhs) Equity Shares of ₹ 10/- each and 2,50,00,000 (Two Crores and Fifty Lakhs) Preference Shares of ₹ 10/- each. With the expansion of the Company's business, it is desirable to bring the Authorised Capital of the Company in proper co-relation with the magnitude of the Company's resources and size of its undertaking. It is therefore considered advisable to increase the Authorised Share Capital of the Company.

The proposed increase requires the approval of the members in General Meeting and accordingly, the resolution as set out in the notice is recommended. The existing Clause V of Memorandum of Association of the Company specifies the present Authorised Share Capital of your Company. Hence, the substitution of the existing Clause V of the Memorandum of Association of the Company is considered necessary in order to reflect the increase in the Authorised Share Capital of the Company.

Hence your approval is sought for the said resolution.

None of the Directors are concerned or interested in the said resolution except to the extent of their shareholding and the shareholding of their relatives, if any, in the Company.

#### Item 5 and 6

Mr. Barun Kumar Singh was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 30th May, 2012. Thereafter he was further appointed as an Executive Director of the Company for a period of 3 years from 30th May, 2012 to 29th May, 2015 on the terms and conditions as mentioned in the draft agreement executed between him and the Company.

According to the provisions of Section 260 of the Companies Act, 1956 the above Director hold office up to the date of the forthcoming Annual General Meeting. Further, as required by Section 257 of the Companies Act, 1956 a notice has been received from a Member signifying his intention to propose the appointment of Mr. Barun Kumar Singh as Director of the Company at the forthcoming Annual General Meeting.

Mr. Barun Kumar Singh is a Metallurgical Engineer from B.I.T. Sindri having a vast experience in the field of steel project commissioning and execution, Sinter Plant and blast furnace operations. Having an experience of over twenty years in this field, he has worked with companies like Usha Martin Limited, Neo Metaliks Limited, Adhunik Metaliks Limited.

## Notice of Annual General Meeting

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

### A. BASIC SALARY & ALLOWANCES :

A] Basic Salary	:	₹ 46,500.00 p.m.
B] H.R.A.	:	₹ 9,300.00 p.m.
C] Medical Allowance	:	₹ 3,873.00 p.m.
D] Special Allowance	:	₹ 77,447.00 p.m.
E] Conveyance Allowance	:	₹ 9,300.00 p.m.
F] LTA	:	₹ 3,873.00 p.m.
TOTAL	:	<u>₹ 1,50,293.00 p.m.</u>

E] Car with Driver provided, maintained by the Company for official use.

### B. PERQUISITES

Perquisites (evaluated as per Income Tax Rules, wherever applicable and actual cost to the Company in other case) such as accommodation, provision for gas, electricity, water and furnishings, medical reimbursement, leave and leave travel concession, fees of clubs, premium in respect of personal accident policies, provision of car for use on Company's business, telephone at residence, encashment of leave at the end of tenure and other benefits, in accordance with the schemes and rules of the Company for its staff, as applicable from time to time. Perquisites should be allowed in addition to the salary as but within the overall limit, if any, prescribed under Schedule XIII of the Companies Act, 1956, as amended from time to time.

### C. EMPLOYER'S CONTRIBUTION TO PROVIDENT FUND

As per rules of the Company

### D. GRATUITY

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

Notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of tenure of aforesaid Director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said Director subject to compliance with the applicable provisions of Schedule XIII of the Companies Act, 1956, and if necessary, with the approval of Central Government.

The terms of appointment and remuneration given herein above be altered, varied and increased from time to time by the Board of Directors of the Company, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof for the time being in force or any amendments made thereto as may be agreed to between the Board of Directors and the concerned Director.

The Remuneration Committee in its meeting held on 30th May, 2012, also approved the appointment and remuneration of Mr. Barun Kumar Singh and recommended the same to the Board for their approval.

The copy of resolution passed by the Board of Directors of the Company in its meeting held on 30th May, 2012 approving the aforesaid proposal alongwith other documents is available for inspection by the members of the Company at its registered office between 11:00 AM to 1:00 PM on all working days till the date of the Annual General Meeting.

## Notice of Annual General Meeting

This explanatory statement together with the accompanying notice may also be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors other than Mr. Barun Kumar Singh, himself, is concerned or interested in this resolution since it relates to his appointment.

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN TWENTY FIFTH ANNUAL GENERAL MEETING

(In pursuant of Clause 49 of Listing Agreement)

Name of Director(s)	Mr. S. K. Singhal	Mr. Barun Kumar Singh
Date of Birth	28.04.1968	08.08.1965
Qualifications	B.E. (Mechanical) MBA	B.Sc (Engineering) (Metallurgical)
Date of Appointment	07.08.2009	30.05.2012
Expertise in specific functional areas	Project Management	Blast Furnace Operations
List of other Public Companies in which Directorship held (excluding in Foreign Companies)	None	None
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in Foreign Companies)	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil	Nil



## **K I C METALIKS LIMITED**

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

Dear Shareholder(s),  
Sub: Green Initiative in Corporate Governance

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

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

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

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

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

Please communicate your choice at [companysecretary@kicmetaliks.com](mailto:companysecretary@kicmetaliks.com)

Thank you for cooperating with us, as always.

For **K I C Metaliks Limited**

**Ruchika Dhanuka**  
*Company Secretary*



### K I C METALIKS LIMITED

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

#### ATTENDANCE SLIP

I/We hereby record my/our presence at the 25TH ANNUAL GENERAL MEETING of the Company at "Rotary Sadan (Shripati Singhanian Hall)", 94/2, Chowringhee Road, Kolkata - 700 020 on Friday, the 28th day of September, 2012 at 10 a.m.

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

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

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



### K I C METALIKS LIMITED

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

#### PROXY FORM

<b>Regd. Folio No.</b> ..... <b>DP ID No.</b> ..... <b>Client ID No.</b> .....	<b>No. of Shares</b>
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I/We.....  
 of.....being a member of K I C Metaliks Limited  
 hereby appoint.....of.....  
 or failing him/her.....of.....  
 or failing him/her.....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 25TH ANNUAL GENERAL MEETING of the Company to be held at "Rotary Sadan (Shripati Singhanian Hall)", 94/2, Chowringhee Road, Kolkata - 700 020 on Friday, the 28th day of September, 2012 at 10 a.m.

AS WITNESS whereof my/our hand is/are affixed this ..... day of .....2012  
 Signed by the said .....  
 Affix  
 Rupee 1/-  
 Revenue  
 Stamp

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