

KIC METALIKS LIMITED



Annual Report 2008-09

BOARD OF DIRECTORS

SHRI R. K. KAJARIA, Chairman & Managing Director
SMT. ANUSHREE KAJARIA
SHRI P. K. PAUL
DR. DEOSHLOK SHARMA
SHRI S. L. MANDAL
SHRI B. N. AGARWAL
SHRI R. S. JALAN
SHRI P. C. SAHOO, Executive Director
SHRI S. K. SINGHAL
SHRI T. N. GUNASEELAN

AUDITORS

AGARWAL MAHESHWARI & CO.
CHARTERED ACCOUNTANTS
2B, GRANT LANE
KOLKATA- 700 012

BANKERS

STATE BANK OF INDIA
CANARA BANK

REGISTERED OFFICE

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

Registrars & Share Transfer Agent

S. K. COMPUTERS
34/1A, Sudhir Chatterjee Street
Kolkata - 700 006
Phone : 91-33-2219 4815, 2219 6797
Fax : 91-33-2219 4815
E-mail : agarwalskc@rediffmail.com

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To

The Shareholders

Your Directors have pleasure in presenting the 22nd Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	(Rs. in lacs)	
	<u>2008 - 09</u>	<u>2007 - 08</u>
Profit/ (Loss) before Depreciation and Tax	(2852.57)	(91.46)
Depreciation	375.50	376.71
	<hr/>	<hr/>
Profit/(Loss) before taxation	(3228.07)	(468.17)
Less: Taxation	7.12	3.94
Add: Deferred Tax Asset	115.94	141.84
	<hr/>	<hr/>
Profit/(Loss) after taxation	(3119.25)	(330.27)
Add: Balance Brought Forward	1345.07	1675.34
Add: Transfer from General Reserve	585.66	—
	<hr/>	<hr/>
Surplus/(Deficit) carried to Balance Sheet	(1188.52)	1345.07
	=====	=====

DIVIDEND

In view of Loss, no dividend is recommended for the year ended 31st March, 2009.

OPERATIONS AND ACTIVITIES

The operating results of the company during the year under review have been very dismay due to economic recession and adverse business climate. The Company could sell only 22951 MT of Pig Iron as compared to 93949 MT in the previous year. The export of C.I. Castings also declined sharply to 4809 MT as compared to 7338 MT in the previous year. The Company sold 822 MT of Portland Slag Cement as compared to 7675 MT in the previous year. The Company has incurred loss of Rs. 3119.25 lakhs as compared to loss of Rs. 330.27 lakhs in the previous year. This loss is attributed to adverse market conditions that prevailed throughout the year, due to which the major part of the pig iron manufacturing activity remained suspended from 27th April 2008 to 14th December 2008 and also to Bad Debts, claims and rebates arising out of the pending disputes. The price realization was low in comparison to high cost of production. The manufacturing activity of cement plant was suspended from 24th April 2008 to 5th August 2009. The cement plant has restarted its operation from 6th August 2009.

MANUFACTURING

During the year ended 31st March, 2009 the Plant produced 26205 MT of Hot Metal against 102145 MT in the previous year. The production of C.I. Castings was 6463 MT compared to 7051 in the previous year and the production of cement was 822 MT compared to 7675 MT in the previous year. Further the Pig Iron Plant and Cement Plant was not in operation for major part of the year. The operation of Coke Oven Plant remained suspended throughout the financial year 2008-09, due to commercial reasons.

FUTURE OUTLOOK

The outlook of Pig Iron industry looks bright in view of future demand of Iron and Steel industry and infrastructure development in the country. However the prices of Met coke in the international market is the area of concern confronting the industry. As a measure of cost reduction and increase efficiency of the plant further action is envisaged to put Sinter plant to use low priced iron ore fines and putting up Power plant using Blast Furnace gases which is lost in the atmosphere in the present moment.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a system of internal control comprising authority levels, supervision and procedures. The system is reviewed and updated on a continuous basis with an objective to improve systems and efficiency of operation.

DEVELOPMENT IN HUMAN RESOURCES

The Company has treated its employees as its most valuable Resources and the HR Policies and strategies have been focused to convert employee potential into performance through proper training and development. The Company had a cordial industrial relation throughout the year.

FINANCES

The Company has allotted on 4th April, 2008, 454000 Equity Shares of Rs. 10/- each at a premium of Rs. 45/- per share to Promoters by way of preferential allotment. The Company has repaid fully to Industrial Development Bank of India against their term loan.

SHARE PURCHASE AGREEMENT /OPEN OFFER UNDER SEBI REGULATION

The Members are aware that M/s Karni Syntex Private Limited [hereinafter referred to as the 'Acquirer'] had entered into a Share Purchase Agreement dated December 7, 2008 with Mr. R.K.Kajaria, Mrs. Anushree Kajaria and M/s R.K.Kajaria (HUF) (hereinafter collectively referred to as Seller Promoters). As per this Share Purchase Agreement, Acquirer has agreed to acquire 26,68,862 fully paid up equity shares representing 47.67 % of KIC Metaliks Limited.

As the equity stake of acquirer after the proposed purchase of shares is going to be more than the stipulated threshold of 15% under SEBI Regulations, the Acquirers were subject to make an Open Offer pursuant to and in compliance with regulation 10 and 12 of Chapter III of the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including subsequent amendments thereto (the 'Regulations'). Accordingly the Acquirer had made a public announcement of the Open Offer on 11th December 2008 to acquire up to 11,19,840 equity shares of Rs. 10/- each, representing 20% of the issued, subscribed and paid –up equity shares capital of KIC Metaliks Limited, at a price of Rs. 28.00 per share ('Offer Price') payable in cash subject to the terms and conditions mentioned in the offer document. Currently this open Offer is pending for approval before SEBI.

DIRECTORS

Shri P.K.Paul retire by rotation from the Board and is eligible for reappointment.

Shri S.L.Mandal retire by rotation from the Board and is eligible for reappointment.

Shri R. S. Jalan was appointed as Additional Director w.e.f. 16th January, 2009. In accordance with Section 260 of the Companies Act, 1956 Shri Jalan shall hold office till the ensuing General Meeting. The Company has received notice in writing from a Member u/s 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Jalan as a Director of the Company at the ensuing Annual General Meeting.

Shri S. K. Singhal was appointed as Additional Director w.e.f. 7th August, 2009. In accordance with Section 260 of the Companies Act, 1956 Shri Singhal shall hold office till the ensuing General Meeting. The Company has received notice in writing from a Member u/s 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Singhal as a Director of the Company at the ensuing Annual General Meeting.

Shri T.N.Gunaseelan was appointed as Additional Director w.e.f. 7th August, 2009. In accordance with Section 260 of the Companies Act, 1956 Shri Gunaseelan shall hold office till the ensuing General Meeting. The Company has received notice in writing from a Member u/s 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri Gunaseelan as a Director of the Company at the ensuing Annual General Meeting.

Shri P. C. Sahoo was appointed as Additional Director and designated as Executive Director of the company w.e.f. 16th January, 2009. His appointment is being ratified at ensuing General Meeting.

Shri Manish Seth resigned as an Executive Director of the Company w.e.f. 21st September, 2008. The Board records its appreciation of the services rendered by Shri Seth during his tenure as a Executive Director of the Company.

AUDITORS

M/s Agarwal Maheshwari & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible are recommended for reappointment.

NOTES ON ACCOUNTS

The observation of Auditors and notes on accounts are self-explanatory.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that.

- (i) In the preparation of the annual accounts for the year ended 31st March, 2009 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors had 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, 2009 and of the profit or loss of the Company for the period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors had prepared the annual accounts on a going concern basis.

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

Information in accordance with the provisions of 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 are given in Annexure 'A' to the Directors Report.

CORPORATE GOVERNANCE

A separate section of Corporate Governance is included in the Annual Report and the certificate from the Companies Auditors confirms the compliance of conditions on Corporate Governance as stipulated in the said clause 49 of the Listing Agreement is annexed hereto.

CODE OF CONDUCT

The Board of Directors of the Company adopted Code of Conduct and ethics for the Directors and Senior Executives of the Company. The code has been duly affirmed by them.

PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration aggregating to Rs. 24,00,000 p.a. or Rs. 2,00,000 p.m. or more, where employed during part of the year. Hence the particulars under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

APPRECIATION

Your Directors place on record their appreciation of the unstinted support and cooperation received from the Shareholders, Company's Bankers, the Financial Institutions, other Central/State Government Institutions and other concerned parties of the Company.

The Directors warmly place on record their appreciation of the contribution made by all the employees in the progress made by the Company.

For & on behalf of the Board

Place: Kolkata

Dated: The 7th day of August 2009

R. K. KAJARIA

Chairman & Managing Director

Annexure 'A' TO THE DIRECTOR'S REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

The plant incorporates the latest technology for the conservation of energy. Particulars with respect to Conservation of Energy are given in Form – A enclosed.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGES EARNINGS AND OUTGO

	2008 – 2009 (Rs. in lakhs)	2007 – 2008 (Rs. in lakhs)
Earnings	2741.52	2846.06
Outgo	1.86	0.41

On behalf of the Board of Directors

Place: Kolkata

Dated: The 7th day of August 2009

R. K. KAJARIA

Chairman & Managing Director

FORM A
(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A Power and fuel consumption

1. Electricity	Current Year (2008 - 2009)	Previous Year (2007 - 2008)
a] Purchased		
Unit (Lacs/KWH)	63.41	135.57
Total amount (Rs. in lacs)	230.00	454.35
Rate/Unit (Rs./KWH)	3.63	3.35
b] Own generation		
i] Through Diesel Generator		
Unit (Lacs/KWH)	5.65	17.34
Unit per Ltr of Diesel of Oil (KWH)	2.41	3.65
Cost/Unit (Rs. KWH)	14.04	8.95
ii] Through Steam Turbine/Generator	Nil	Nil
Unit per Ltr of Fuel Oil/Gas		
Cost/Unit (Rs/KWH)		
2. Coal (specify quality and where used)	Nil	Nil
Quantity (Tonnes)		
Total Cost		
Average Rate		
3. Furnace Oil	Nil	Nil
Quantity (K. Ltrs)		
Total Amount		
Average Rate		
4. Light Diesel Oil		
Quantity (K. Ltrs)	Nil	Nil
Total Amount (Rs. lacs)	Nil	Nil
Average Rate (Rs./K. Ltrs)	Nil	Nil
(Rs./Ltr)	Nil	Nil
5. High Speed Diesel Oil		
Quantity (K. Ltrs)	234.00	474.23
Total Amount (Rs. in lacs)	79.35	155.21
Average Rate (Rs./Ltrs)	33.91	32.73
6. Others/Internal generation	Nil	Nil
(Please give details)		
Quantity		
Total/Cost		
Rate/Unit		
B. Consumption per unit of production - per Tonne of Pig Iron		
Electricity (KWH)	241.97	148.95
Light Diesel Oil (Ltr)	Nil	Nil
High Speed Diesel Oil (Ltr)	8.93	0.216

FORM B
(See Rule 2)

Form for disclosure of particulars with respect to absorption

Research and Development (R & D)	Nil
1. Specific areas in which R & D carried out by the Company	Nil
2. Benefits derived as a result of the above R & D	Nil
3. Future plan of action	To put-up Power Plant & Sinter Plant.
4. Expenditure on R & D	Nil
a] Capital	
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	Stove technology absorbed and working to full satisfaction.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Production has improved by 10%.
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 :	Nil
a] Technology imported	
b] Year of import	
c] Has technology been fully absorbed?	
d] If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	

**ANNEXURE TO DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

KIC's philosophy of Code of Governance is disclosure, transparency, openness and to enhance shareholders value while protecting the interest of other stakeholders

BOARD OF DIRECTORS

Composition of Board of Directors as on 31st March, 2009.

<i>Name of the Directors</i>	<i>Category of Directors</i>	<i>Relationship b/w Directors Inter-se</i>	<i>No. of other Directorship Held *</i>	<i>No. of Board Meeting Attended</i>	<i>Attendance of the Last AGM</i>	<i>Remuneration to Directors (Rs)</i>	<i>Siting Fees Paid (Rs)</i>
Shri R. K. Kajaria Chairman cum Managing Director	Executive (Non-Independent)	Husband of Smt. Anushree Kajaria	Nil	6	Yes	1350000	Nil
Shri P. K. Paul	Non-Executive (Independent)	N.A.	3	6	Yes	Nil	7500
Smt. Anushree Kajaria	Non-Executive (Non-Independent)	Wife of Shri R. K. Kajaria	Nil	1	No	Nil	1000
Shri P. C. Sahoo Executive Director	Executive (Independent)	N.A.	Nil	2	No	183000	Nil
Dr. D. Sharma	Non-Executive (Independent)	N.A.	Nil	2	No	Nil	2000
Shri S. L. Mandal	Non-Executive (Independent)	N.A.	Nil	6	Yes	Nil	7500
Shri B. N. Agarwal	Non-Executive (Independent)	N.A.	1	5	Yes	Nil	5000
Shri R. S. Jalan	Non-Executive (Non-Independent)	N.A.	1	2	No	Nil	2000
Shri Manish Seth	Executive (Independent)	N.A.	Nil	1	No	300000	Nil

* Only Public Limited Companies.

Notes:-

1. Except Shri P. K. Paul, who is the Chairman of the Audit Committee of Orissa Sponge Iron & Steel Ltd., none of the other Directors are members or Chairperson of any other Audit Committee.
2. Shri Manish Seth resigned as an Executive Director of the Company w.e.f. 21st September, 2008
3. Shri P.C. Sahoo was appointed as Executive Director of the Company w.e.f. 16th January, 2009
4. Details of Directors seeking appointment/re-appointment in Twenty-second Annual General Meeting are given with the Notice to the Annual General Meeting.

Six (6) Board Meetings were held during the year 2008– 2009 and the gap between two meetings did not exceed four months.

The dates on which the Board Meetings were held as follows:-

4th April 2008, 15th July 2008, 22nd August 2008, 31st October 2008, 16th January 2009 and 10th February 2009.

AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the requirement of Section 292A of the Companies Act, 1956 and terms of reference are in conformity with Clause 49 of the Listing Agreement.

The Composition of the Audit Committee and attendance at its meetings is given hereunder :

<i>Names of the Directors</i>	<i>Position Held</i>	<i>No. of Meetings Held</i>	<i>No. of Meetings attended</i>
Shri P. K. Paul	Chairman	4	4
Shri S. L. Mandal	Member	4	4
Smt. Anushree Kajaria	Member	4	Nil

The Audit Committee meetings were held on 15th July 2008, 22nd August 2008, 31st October 2008 and 10th February 2009. The Company Secretary acts as the Secretary of the Audit Committee.

REMUNERATION COMMITTEE

During the year the Company has constituted a Remuneration Committee of Board of Directors consisting of the following five members:

Name of the Director	Category
Shri R. K. Kajaria	Chairman
Shri P. K. Paul	Member
Shri S. L. Mandal	Member
Dr. D. Sharma	Member
Shri R.S. Jalan	Member

The terms of reference to this Committee include:

- Formulation of policy relating to and fixation of remuneration payable and other service terms and conditions applicable to the Executive Directors, and other senior executives of the Company and
- Remuneration payable to the Non-Executive Directors for meetings of the Board and/or various committees attended.

The Committee met once during the year on 16th January, 2009 and ratified the existing remuneration paid to the Directors and considered the remuneration payable to Sri P. C. Sahoo, Executive Director appointed w.e.f. 16th January, 2009.

SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee was constituted specifically for redressal of investor's complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends, issue of duplicate certificates, transfer and transmission of shares and other allied transaction. Four Meetings of Shareholders' Grievance were held during the year 2008 – 2009.

The said Committee comprises of Shri P. K. Paul, as Chairman and Shri R. K. Kajaria.

The Company and Share Transfer Agents attend to the investor grievances / correspondence within a period of 15 days from the date of receipt.

No complaints/queries are pending as on 31st March, 2009.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed to approve transfer/ transmission of share and reject transfer / transmission application according to law. The constitution of the Committee, at present, is as follows:-

Name of the Director	Category
Shri P. K. Paul	Chairman
Shri R. K. Kajaria	Member
Shri R.S. Jalan	Member

GENERAL BODY MEETINGS OF LAST 3 YEARS

Year	AGM/EGM	Venue	Day and Date	Time
2005-2006	AGM	Calcutta Chamber of Commerce 18H Pak Street Kolkata-700 017	Saturday 23.09.2006	10.00 A.M.
2006-2007	AGM	Calcutta Chamber of Commerce 18H Pak Street Kolkata-700 017	Tuesday 04.09.2007	10.00 A.M.
2007-2008	AGM	Calcutta Chamber of Commerce 18H Pak Street Kolkata-700 017	Monday 25.08.2008	10.00 A.M.

The Special Resolution passed during the last 3 AGM's were as under :-

AGM	Date	Special Resolutions
19 th	23.09.2006	Resolution No. 6 - Approval of Shareholders pursuant to Section 81 of the Company's Act, 1956 authorising the Board of Directors to issue offer and allot Equity Shares/Warrants to Promoters of the Company.
20 th	04.09.2007	Nil. No. resolutions were passed through Postal ballot.
21 st	25.08.2008	Nil. No. resolutions were passed through Postal ballot.

At the ensuing Annual General Meeting there is no resolution proposed to be passed by Postal ballot.

OTHER DISCLOSURES:

- a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note No. B(7) of Schedule 18 to accounts in Annual Report.

- b) **Details of non-compliance by the Company, penalties, strictures imposed in the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

None

- c) **Management Discussion & Analysis Report**

The Management Discussion & Analysis Report is a part of the Annual Report.

CEO/CFO CERTIFICATION :

The Chairman & Managing Director of the Company has given a certificate to the Board of Directors as prescribed under clause 49(V) of the Listing Agreement for the year ending 31st March, 2009

MEANS OF COMMUNICATION :

(a)	Quarterly Results	At Board of Directors' Meeting held on: 15 th July, 2008 22 nd August, 2008 31 st October, 2008 10 th February, 2009
(b)	Quarterly Results (i) Which newspapers normally published in :	Business Standard, Kolkata The Economic Times Kolkata Kalanthar, Dainik Statesman
	English Bengali	
	(ii) Any Website displayed :	Yes www.kicmetaliks.com
(c)	Whether Website also displays official news releases	Yes
(d)	Whether presentations made to institutional investors or to the analysts	No

GENERAL SHAREHOLDER INFORMATION

(a)	AGM : Date Time Venue	22 nd September, 2009 Tuesday, 10.A.M Calcutta Chamber of Commerce 18H Pak Street, Kolkata-700 017
(b)	Financial Calendar (tentative) Financial reporting for the quarter ending June 30,2009	On 7 th August, 2009
	Financial reporting for the quarter ending September 30, 2009	End October, 2009
	Financial reporting for the quarter ending December 31, 2009	End January, 2010
	Financial reporting for the year ending March 31, 2009	End June, 2010
(c)	Book Closure period	From 16 th September, 2009 To 22 nd September, 2009 (both days inclusive)
(d)	Dividend Payment Date	The Directors have not recommended any dividend on ordinary shares for the financial year 2008 – 2009.
(e)	Listing on Stock Exchanges The Company's securities are listed at 1. The Bombay Stock Exchange Ltd (BSE).	
(f)	The Company has paid the Listing Fees For the year 2009-2010 to the above Stock Exchange.	
(g)	The Company has paid custodian fees for the year 2009-10 to National Depository Limited and Central Depository Services (India) Limited.	
(h)	ISIN No. INE 434C01019	
(i)	Depository Connectivity	NSDL AND CDSL

(j) Stock Market Data :

	High	Low	Close	BSE Sensex Close
Apr – 08	50.50	35.85	46.10	17287.31
May - 08	48.00	36.75	39.10	16415.57
June – 08	47.95	34.20	36.20	13461.60
July – 08	42.00	28.00	34.05	14355.75
Aug - 08	40.50	32.10	33.00	14564.53
Sept – 08	39.00	22.50	25.00	12860.43
Oct - 08	27.10	14.80	18.50	9788.06
Nov – 08	22.10	12.00	16.00	9092.72
Dec – 08	23.95	15.00	21.30	9647.31
Jan – 09	23.50	21.10	22.20	9424.24
Feb – 09	24.00	22.05	24.00	8891.61
Mar - 09	24.00	23.10	23.45	9708.50

(k) Registrar and Transfer Agents

S K Computers
34/1A Sudhir Chatterjee Street, Kolkata- 700 006

(l) Share Transfer System

Physical shares lodged for transfer / dematerialisation 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. Grievances received from Members and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

(m) Distribution of Share Holdings as on 31.03.2009 :

Range or Ordinary Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
1 to 500	3279	85.50	547516	9.78
501 to 1000	275	7.17	220984	3.95
1001 to 10000	257	6.71	740990	13.23
Above 10000	24	.62	4089710	73.04
Total	3835	100.00	5599200	100.00

(n) Share Holding Pattern as on 31.03.2009 :

Category of the Shareholders	No. of Shares Held	% Holding
Promoters Holding	2668862	47.67
Non-Promoters Holding		
- Bodies Corporate	1185476	21.17
- NRI/Foreign Company		
- Banks	172160	3.07
Indian Public	1572702	28.09
Total	5599200	100.00

(o) Dematerialization of Shares and Liquidity :

Electronic holding by members comprised of 97.68 % of the paid up Equity Share Capital of the Company held through the National Securities Depository Limited (60.13%) and Central Depository Securities Limited (37.55%) as on March 31, 2009. 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.

(p) Outstanding GDRs /ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity :

NIL

(q) Plant Locations : Pig Iron, C.I. Castings and Cement Plant.

Raturia, Durgapur,
West Bengal

(r) Address for Correspondences :

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

For and on behalf of the Board

Place: Kolkata

Dated: The 7th day of August, 2009

R. K. KAJARIA
Chairman & Managing Director

Declaration on compliance of the Company's code of conduct:

The company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges to further strengthen corporate governance practices in the company.

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, 2009.

For and on behalf of the Board

Place: Kolkata
Dated: The 7th day of August 2009

R. K. KAJARIA
Chairman & 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 KIC Metaliks Ltd for the year ended 31st March, 2009 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, 2009 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.

Place: Kolkata
Dated: The 7th day of August 2009

For AGARWAL MAHESHWARI & CO
Chartered Accountants

(D.R.AGARWAL)
Partner
Membership 051484

AUDITORS REPORT

TO THE MEMBERS OF KIC METALIKS LIMITED

1. We have audited the attached Balance Sheet of **KIC Metaliks Limited**, as at 31st March, 2009 and the related 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 give 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Profit & Loss Account, the Balance Sheet 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. 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 notes mentioned in Schedules 18B(9) for non provision of depreciation on Coke Oven Plant and subject to note 18B(2) non provision of contingent liabilities amounting to Rs. 389.39 Lakhs, 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 affairs of the Company as at 31st March, 2009.
 - ii. In the case of the Profit & Loss Account, of the Loss 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.
5. On the basis of the written representations received from the Directors as on 31st March, 2009 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **AGARWAL MAHESHWARI & CO.**
Chartered Accountants

(D. R. AGARWAL)
Partner
Membership No. 51484

Place : Kolkata
Dated : The 7th day of August, 2009

ANNEXURE TO THE AUDITORS' REPORT

1. a) The Company has maintained proper records showing full particulars including quantitative details and location of 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) The Company has not disposed off substantial part of fixed assets during the year.
2. According to information supplied to us and to 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 stocks followed by the management are 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. a) The company has not granted any loan but has taken unsecured loans from companies firms or other parties covered _____ in _____ the register maintained under section 301 of the Companies Act, 1956. The number of party is one and the amount involved _____ is Rs. 9,60,00,000/-
- b) The rate of interest and other terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interest of the company.
- c) The payment of principal amount and interest are regular on such unsecured loan.
- d) There are no overdue amounts of more than rupees one lakh on the said unsecured loan.
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) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no contracts or arrangements during the year, which are required to be entered in the register maintained under Section 301 of the Companies Act, 1956;
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of Five lakh rupees in respect of such party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time and other relevant circumstances.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an internal audit system and needs to be further strengthened to make it, commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company relating to the manufacture of Cement pursuant to the notification of the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and on the basis of the information received, are of the opinion that prima facie the prescribed accounts and records have been maintained/are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any other products of the Company.

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, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities except minor delays in payment of VAT and Excise Duty.
- 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 the appropriate authorities, are as under :

Sl. No.	Nature of the Dues	Rs.	Forum where dispute is pending
1.	Excise Duty	69,793.00	COMMISSIONER OF APPEAL
2.	Excise duty	40,96,366.00	COMMISSIONER OF APPEAL
3.	Excise Duty	19,54,294.00	APPELLATE TRIBUNAL EXCISE
4.	Excise Duty	30,68,669.00	COMMISSIONER OF APPEAL

10. The Company has accumulated loss at the end of the financial year amounting to Rs. 11,88.52 lakh is more than fifty percent of the net worth of the Company. The Company has incurred Cash loss of Rs. 2852.57 lakhs in the current financial year and Rs. 91.46 lakhs in the financial year immediately preceding the current financial year.
11. Based on the information and explanations given to us, the Company has defaulted during the year in repayment of dues including Term Loan, Cash Credit and devolved letter of credits to Canara Bank amounting to Rs. 1048.94 lakhs.
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 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 bank 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 made preferential allotment of shares to parties and companies covered in Register maintained under Section 301 of the Companies Act, 1956 and the price at which shares have been issued is not prejudicial to the interest of the Company.
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.

For **AGARWAL MAHESHWARI & CO.**

Chartered Accountants

Dated : 7th day of August, 2009

(D. R. AGARWAL)

Partner

Membership No. 51484

Balance Sheet as at 31st March 2009

	SCHEDULE	As at 31.03.2009 (Rs. In Lakhs)	As at 31.03.2008 (Rs. In Lakhs)
SOURCES OF FUNDS :			
Shareholders' Fund			
Share Capital	1	559.92	514.52
Advance against Share Capital		-	326.89
Share Application Money		-	24.97
Reserves & Surplus	2	<u>1,578.87</u>	<u>3,305.30</u>
		<u>2,138.79</u>	<u>4,171.68</u>
Loan Funds :			
Secured Loans	3	3,660.95	4,240.64
Unsecured Loans	4	1,985.21	391.76
Deferred Payment Credit	5	64.69	135.81
TOTAL		<u><u>7,849.64</u></u>	<u><u>8,939.89</u></u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	6	8,217.16	8,270.59
Less:Depreciation		<u>3,059.01</u>	<u>2,721.94</u>
Net Block		<u><u>5,158.15</u></u>	<u><u>5,548.65</u></u>
Current Assets Loans and Advances			
Inventories	7	3,215.89	4,893.90
Sundry Debtors	8	648.67	664.21
Cash & Bank Balances	9	268.81	271.64
Loans & Advances	10	474.82	1,132.17
Other Current Assets	11	53.47	84.63
		<u>4,661.66</u>	<u>7,046.55</u>
Less : Current Liabilities and Provisions	12	<u>3,158.69</u>	<u>3,539.37</u>
Net Current Assets		<u><u>1,502.97</u></u>	<u><u>3,507.18</u></u>
Profit & Loss Account		1,188.52	-
(Debit Balance as per annexed account)			
Deferred Tax (Net)			
Deferred Tax Liabilities	(413.52)		
Deferred Tax Assets	<u>413.52</u>		<u>(115.94)</u>
Total		<u><u>7,849.64</u></u>	<u><u>8,939.89</u></u>

ACCOUNTING POLICIES & NOTES
ON ACCOUNTS

Schedule 1 to 12 and schedule 18 referred to above form part of the Balance Sheet

In term of our report of even date

For **AGARWAL MAHESWARI & CO.**
Chartered Accountants**R. S. JALAN**
Director**R.K. KAJARIA**
Chairman & Managing Director**D. R. AGARWAL**
(Partner)**P.K. PAUL**
Director

Place : Kolkata

Dated : The 7th day of August 2009

Profit & Loss Account for the year ended 31st March 2009

	SCHEDULE	Year ended 31.03.2009 (Rs. In Lakhs)	Year ended 31.03.2008 (Rs. In Lakhs)
INCOME :			
Sales	13	10,168.34	20,727.93
Less : Excise Duty		406.17	2,370.33
Net Sales		9,762.17	18,357.60
Other Income	14	124.56	704.98
Total :		9,886.73	19,062.58
EXPENDITURE :			
Operational Expenses	15	10,900.70	18,411.52
Administrative Expenses	16	1,146.49	359.52
Interest	17	692.11	383.00
Total :		12,739.30	19,154.04
Profit/(Loss) before Depreciation		(2,852.57)	(91.46)
Depreciation		375.50	376.71
Profit/(Loss) before Taxation		(3,228.07)	(468.17)
Less : Provision for Taxation		-	-
Less : Provision for Fringe Benefit Tax		1.20	1.62
Add : Deferred Tax Asset/(Liability)		115.94	141.84
Profit after Taxation		(3,113.33)	(327.95)
Less : Tax relating to earlier year		5.92	2.32
Add : Balance brought forward		1,345.07	1675.34
		(1,774.18)	1,345.07
Add : Transfer from General Reserve		585.66	-
Balance Carried to Balance Sheet		(1,188.52)	1,345.07
Earning Per Share In Rs. (Note 15)			
Basic		(55.65)	(6.50)
Diluted		(55.65)	(5.96)

Accounting Policies and Notes on Accounts

Schedules 13 to 17 & 18 referred to above form part of the Profit & Loss Account

In term of our report of even date

For AGARWAL MAHESWARI & CO.
Chartered AccountantsR. S. JALAN
DirectorR. K. KAJARIA
Chairman & Managing DirectorD. R. AGARWAL
(Partner)P. K. PAUL
Director

Place : Kolkata

Dated : The 7th day of August 2009

Cash Flow Statement for the Year Ended 31st March, 2009
Pursuant to Clause 32 of the Listing Agreement

	For the year ended 31.03.2009 (Rs. in lakhs)		For the year ended 31.03.2008 (Rs. in lakhs)	
A. Cash Flow from Operating Activities:				
Net Profit before taxes and Extraordinary items	(3,228.07)		(468.17)	
Adjustments for:				
Depreciation	375.50		376.71	
Loss on Sale of Fixed Assets	54.26			
Interest Income	(15.89)		(18.16)	
Interest expenses on Loans	692.11	1,105.98	383.00	741.55
	<u>(2,122.09)</u>		<u>273.38</u>	
Operating Profit before Working Capital Changes				
Adjustments for				
Trade and other receivables	704.05		(324.49)	
Inventories	1,678.01		(889.41)	
Trade Payables	(380.68)	2,001.38	(280.16)	(1,494.06)
Cash generated from operations	<u>(120.71)</u>		<u>(1,220.68)</u>	
Interest paid	(692.11)		(383.00)	
Direct Taxes paid	(7.12)	(699.23)	(3.94)	(386.94)
Cash Flow before extraordinary items	<u>(819.94)</u>		<u>(1,607.62)</u>	
Net Cash from operating activities	<u>(819.94)</u>		<u>(1,607.62)</u>	
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets & Capital WIP	(58.11)		(362.88)	
Sale of Fixed Assets	18.85		0.95	
Interest Received	15.89		18.16	
Net Cash used in investing activities	<u>(23.37)</u>		<u>(343.73)</u>	
			<u>(1,951.39)</u>	
C. Cash Flow from Financing Activities				
Investments	-		25.00	
Increase in Equity Share Capital	45.40		45.50	
Share Premium	204.30		204.75	
Advance against Share Capital	(326.89)		(117.74)	
Share Application Money	(24.97)		(25.03)	
Deferred Payment Credit	(71.12)		(53.60)	
Loan from other Body Corporate	1,593.45		112.15	
Proceeds from Long Term Borrowings	(257.74)		(513.49)	
Increase/Decrease in Working Capital	(321.95)		2,167.70	
Net Cash used in Financing Activities	<u>840.48</u>		<u>1,845.24</u>	
Net increase in Cash and Cash Equivalents	<u>(2.83)</u>		<u>(106.15)</u>	
Cash and Cash Equivalents as at (Opening Balance)	271.64		377.79	
Cash and Cash Equivalents as at (Closing Balance)	268.81	2.83	271.64	106.15

NOTES : (i) Figures in brackets represent Outflows.
(ii) Previous Year figures have been recast/restated wherever necessary.

In terms of our report of even date
For AGARWAL MAHESWARI & CO
Chartered Accountants
D. R. AGARWAL
Partner

R. S. JALAN
Director

R. K. KAJARIA
Chairman & Managing Director

P K PAUL
Director

Place : Kolkata
Dated : The 7th day of August 2009

Auditors' Certificate

We have examined the attached Cash Flow Statement of KIC Metaliks Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of The 7th Day of August, 2009 to the members of the Company.

For AGARWAL MAHESWARI & CO
Chartered Accountants

D. R. AGARWAL
Partner
Place : Kolkata
Dated : The 7th day of August 2009

SCHEDULE 1 TO 18 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009 & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.

	As at 31.03.09 (Rs. In Lakhs)	As at 31.03.08 (Rs. In Lakhs)
SCHEDULE -1		
SHARE CAPITAL		
Authorised :-		
1,50,00,000 Equity Shares of Rs.10/- each	1500.00	1500.00
50,00,000 Preference Shares of Rs.10/- each	500.00	500.00
	<u>2000.00</u>	<u>2000.00</u>
Issued, Subscribed & Paid up		
5599200 (P.Y.5145200) Equity Shares of Rs.10/- each fully paid up. During the year 454000 Equity Shares were issued to Promoters on Preferential basis	559.92	514.52
	<u>559.92</u>	<u>514.52</u>
SCHEDULE -2		
RESERVES & SURPLUS		
Securities Premium (During the year 454000 equity share issued on Preferential basis to promoters at a premium of Rs.45/-per share)	1,278.87	1,074.57
Capital Redemption Reserve	300.00	300.00
	<u>1,578.87</u>	<u>1,374.57</u>
General reserve As per last year	585.66	585.66
Less : Transferred Profit & Loss Account	585.66	-
Net	-	585.66
Profit & Loss Account (Balance as per Annexed Account)	-	1,345.07
	<u>1,578.87</u>	<u>3,305.30</u>
SCHEDULE -3		
SECURED LOANS		
A. TERM LOANS		
i) Industrial Development Bank of India	-	132.85
ii) State Bank of India	312.67	444.31
iii) Canara Bank	302.19	295.44
B. WORKING CAPITAL		
i) Canara Bank	1,305.69	1,321.40
ii) State Bank of India	1,740.40	2,046.64
	<u>3,660.95</u>	<u>4,240.64</u>
NOTE:1		
The Term Loan from State Bank of India & Canara Bank are secured by hypothecation of Plant & Machineries relating to Hot Blast Stove on Parripassu first charge Basis		
NOTE:2		
Working Capital Loan with Canara Bank and State Bank of India are secured by first charge by way of hypothecation of stock,debtors and other movable assets and 2nd charge on Fixed Assets of the Company and by personal guarantee of Managing Director of the Company.		
SCHEDULE-4		
UNSECURED LOAN		
From Body Corporates	1,985.21	391.76
	<u>1,985.21</u>	<u>391.76</u>
SCHEDULE -5		
DEFERRED PAYMENT CREDIT		
For Purchase of Motor Car & Heavy Commercial Vehicles	64.69	135.81
	<u>64.69</u>	<u>135.81</u>

SCHEDULE -6 FIXED ASSETS

(Rs. In Lakhs)

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost as at 01.04.08	Additions/ Capitalised during the Year	Deduction/ Adjustment the year	Total Cost as at 31.03.09	Upto 01.04.08	For the Year	Adjustment during the year	Upto 31.03.09	As on 31.03.09
PIG IRON DIVISION									
Lease hold land	187.19	0.00	0.00	187.19	31.71	3.74	0.00	35.45	151.74
Factory Building	573.75	0.00	0.00	573.75	194.25	19.16	0.00	213.41	360.34
Plant & Machinery	4643.10	0.00	0.00	4643.10	1712.26	245.16	0.00	1957.42	2685.68
Electrical Installations	748.52	0.00	0.00	748.52	396.34	39.52	0.00	435.86	312.66
Electrical Installations Office	11.35	0.00	0.00	11.35	6.55	0.54	0.00	7.09	4.26
Office Building	36.00	0.00	0.00	36.00	4.13	0.59	0.00	4.72	31.28
Motor Cars	86.55	0.00	34.30	52.25	27.57	6.59	12.30	21.86	30.39
Office Equipments	19.03	0.68	0.00	19.71	10.65	0.91	0.00	11.56	8.15
Computers	19.09	1.10	0.00	20.19	16.26	2.92	0.00	19.18	1.01
Weighing Scale	13.49	0.00	0.00	13.49	2.39	0.64	0.00	3.03	10.46
Motor Bikes	5.41	0.00	0.00	5.41	3.79	0.51	0.00	4.30	1.11
Furniture & Fixtures	37.88	0.00	0.00	37.88	29.14	2.40	0.00	31.54	6.34
Dalmia Resort	0.49	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.49
Heavy Commercial Vehicles	208.81	0.00	77.24	131.57	40.76	20.36	26.13	34.99	96.58
Generator set	85.28	0.00	0.00	85.28	40.02	4.50	0.00	44.52	40.76
G.Slag Plant	10.34	0.00	0.00	10.34	4.92	0.55	0.00	5.47	4.87
Coke Oven Plant	656.74	19.66	0.00	676.40	13.97	0.00	0.00	13.97	662.43
Guest House	27.24	0.00	0.00	27.24	1.01	0.44	0.00	1.45	25.79
CAPITAL WORK IN PROG.									
Pelette WIP	208.11	4.83	0.00	212.94	0.00	0.00	0.00	0.00	212.94
D.I.Project	69.89	31.84	0.00	101.73	0.00	0.00	0.00	0.00	101.73
FOUNDRY DIVISION									
Building & Shed	256.48	0.00	0.00	256.48	60.25	8.57	0.00	68.82	187.66
Coupla	39.70	0.00	0.00	39.70	18.46	2.10	0.00	20.56	19.14
Electrical Installations	8.24	0.00	0.00	8.24	3.80	0.44	0.00	4.24	4.00
Furniture & Fixtures	0.15	0.00	0.00	0.15	0.08	0.01	0.00	0.09	0.06
Plant & Machinery	38.06	0.00	0.00	38.06	10.94	2.01	0.00	12.95	25.11
Tubewell	0.30	0.00	0.00	0.30	0.14	0.08	0.00	0.22	0.08
Weighing Scale	1.45	0.00	0.00	1.45	0.57	0.00	0.00	0.57	0.88
Pollution Control Equipment	11.54	0.00	0.00	11.54	4.72	0.61	0.00	5.33	6.21
CEMENT DIVISION									
Building & Shed	47.08	0.00	0.00	47.08	11.40	1.57	0.00	12.97	34.11
Plant & Machinery	219.33	0.00	0.00	219.33	75.86	11.58	0.00	87.44	131.89
TOTAL	8270.59	58.11	111.54	8217.16	2721.94	375.50	38.43	3059.01	5158.15
PREVIOUS YEAR	7909.99	362.88	2.28	8270.59	2346.56	376.71	1.33	2721.94	5548.65

	As at 31.03.2009 (Rs. In Lakhs)	As at 31.03.2008 (Rs. In Lakhs)
SCHEDULE -7		
INVENTORIES		
(As valued and Certified by the Management at Cost or net realisable market price whichever is lower)		
PIG IRON DIVISION		
Raw Materials	1,582.87	2,858.79
Finished Goods	376.17	1,198.00
Stores & Spares	253.64	137.69
FOUNDRY DIVISION		
Raw Materials	150.45	50.25
Finished Goods	796.66	255.72
Stores & Spares	2.55	5.43
CEMENT DIVISION & OTHERS		
Raw Materials	6.73	16.39
Traded Goods	37.33	361.56
Stores & Spares	9.49	10.07
	<u>3,215.89</u>	<u>4,893.90</u>
SCHEDULE -8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
(i) Debts Outstanding for a period exceeding six months	44.26	255.59
(ii) Other Debts	604.41	408.62
	<u>648.67</u>	<u>664.21</u>
SCHEDULE -9		
CASH AND BANK BALANCES		
Cash in Hand	35.78	2.04
Bank Balances		
With Scheduled Banks		
In Current A/C	111.36	17.16
On Fixed Deposit A/C. (Pledged with Bank as Margin Money for Letter of Credit and for Foreign Bill Purchases)	121.67	252.44
	<u>268.81</u>	<u>271.64</u>
SCHEDULE -10		
LOANS AND ADVANCES (UNSECURED) (CONSIDERED GOOD)		
Advances Recoverable in Cash or in kind or for Value to be Received	317.25	908.17
Security Deposit	13.78	11.05
Tax Deducted at source	57.80	79.44
Advance Income Tax	25.84	116.12
Advance for Purchase of capital assets	60.15	17.39
	<u>474.82</u>	<u>1,132.17</u>
SCHEDULE -11		
OTHER CURRENT ASSETS		
Export Benefits Receivable	16.30	41.01
Centat Credit Receivable(Capital Goods)	4.59	10.41
Centat Credit Receivable(Stores)	1.13	13.83
Centat Credit Receivable (Export)	10.95	10.95
Service Tax Receivable	3.49	8.43
West Bengal VAT Input Credit	17.01	-
	<u>53.47</u>	<u>84.63</u>

SCHEDULE -12**CURRENT LIABILITIES AND PROVISIONS**

Current Liabilities :-

Sundry Creditors

For Raw materials & Stores

For Others

Advance from Customers

T.D.S.Payable

Provisions :-

Provision for Excise Duty

Provision for Gratuity

Provision for Taxation

Provision for Fringe Benefit Tax

As at
31.03.2009
(Rs. In Lakhs)As at
31.03.2008
(Rs. In Lakhs)

2,368.11

532.54

124.14

12.27

3,037.06

89.28

28.61

0.04

3.70

121.633,158.69

664.29

996.40

1,583.49

1.30

3,245.48

150.97

27.80

109.50

5.62

293.893,539.37**SCHEDULE -13****SALES****(Export)**

C.I.Castings & Other Materials

(Domestic)

Pig Iron

Granulated Slag

Cement

C.I Ingot

Others (including Metcoke & Fines)

2,741.52

4,330.39

16.98

17.54

25.51

3,036.40

10,168.34

2,088.16

16,586.64

32.44

163.72

15.23

1,841.74

20,727.93**SCHEDULE -14****OTHER INCOME**

Export Benefits

Brokerage & Commission

Interest on Fixed Deposit (T.D.S Rs.1.82 Lakhs P.Y.Rs.4.16 Lakhs)

Other Sundry Liabilities Relating to Earlier Year Written Back

Miscellaneous Receipts

89.68

15.89

18.88

0.11

124.56

133.99

406.78

18.16

146.05

-

704.98**SCHEDULE -15****OPERATIONAL EXPENSES****Raw material Consumed**

Opening Stock

For C.I.Castings/Other Goods

For Pig Iron

For Cement

Add: Purchases

For C.I.Castings/Other Goods

For Pig Iron

For Cement

Less :Closing Stock

For C.I.Castings/Other Goods

For Pig Iron

For Cement

Consumption

Purchase for Trading

Excise Duty

Export Expenses

Electrical Charges

150.45

1,582.87

6.73

50.25

2,858.79

16.39

2,925.43

740.57

4,768.23

13.41

8,447.64

-

-

1,740.05

6,707.59

2,792.26

(61.69)

319.16

251.84

7.53

2,699.21

120.22

2,826.96

36.51

16,577.24

78.56

19,519.27

50.25

2,858.79

16.39

16,593.84

1,259.11

57.95

256.98

464.54

	As at 31.03.2009 (Rs. In Lakhs)	As at 31.03.2008 (Rs. In Lakhs)
Stores & Spares consumed	106.58	298.64
Insurance & Inspection Charges	7.63	10.16
Power & Fuel Charges	81.36	156.66
Labour Charges	76.75	114.64
Water Charges	5.34	12.42
Repairs to Plant & Machinery	8.76	8.97
	A	
	<u>10,295.58</u>	<u>19,233.91</u>
(Increase)/Decrease in Stock (Finished & Trading Goods)		
Opening Stock		
For C.I.Castings/Other Goods	255.72	295.15
For Pig Iron	1,198.00	660.67
For Cement & Others	361.56	37.07
	<u>1,815.28</u>	<u>992.89</u>
Less :Closing Stock		
For C.I.Castings/Other Goods	796.66	-
For Pig Iron	376.17	1,198.00
For Cement & Others	37.33	361.56
	<u>B</u>	<u>(822.39)</u>
(Increase)/Decrease in Stock		
Total Operation Expenses	A+B	18,411.52
	<u>10,900.70</u>	<u>18,411.52</u>

SCHEDULE -16**ADMINISTRATIVE EXPENSES**

Salary,Bonus & Allowances	173.50	199.06
Directors Remuneration	18.33	27.00
Provident Fund & ESIC	14.37	12.62
Travelling Expenses	5.46	3.78
Rent,Rates & Taxes	34.96	23.42
Security & Service charges	17.27	22.69
Postage & Stamp	0.26	1.30
Telephones	3.49	7.50
Printing & Stationery	0.96	1.94
Filing Fees	0.10	0.02
Legal & Professional Charges	6.14	1.33
Books,Periodicals & Subscriptions	0.09	0.29
Bank & Other Charges	6.60	37.47
Bad Debts Written Off	255.59	-
Motor Car Expenses	4.88	5.15
Advertisement & Publicity	0.94	2.17
Office Repairs & Maintenance	2.83	2.01
Staff Tea & Beverages	1.23	5.67
Miscellaneous Expenses	4.99	-
Claims & Rebates	534.52	-
Auditors Remunerations		
Audit Fees	2.21	2.25
Tax Audit Fees	0.55	0.56
Certification & Taxation	0.55	0.56
Re-Imbursement of Expenses	0.06	-
Internal audit Fees	0.20	0.90
Directors Sitting Fee	0.25	0.27
Listing Fees	0.78	0.76
Charity & Donation	-	0.09
Computer Expenses	0.73	0.53
Loss on sale of fixed assets	54.26	0.04
Service Tax Paid	0.39	0.14
	<u>1,146.49</u>	<u>359.52</u>

SCHEDULE -17**INTEREST**

Bank Interest on working capital	448.46	189.54
Over due Bank Interest on Foreign bill Purchase	-	0.09
Interest on Term Loan	107.02	175.02
Interest to others	136.63	18.35
	<u>692.11</u>	<u>383.00</u>

SCHEDULE – 18**ACCOUNTING POLICIES AND NOTES ON ACCOUNT****A. SIGNIFICANT ACCOUNTING POLICIES:****1. BASIS OF ACCOUNTING**

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

2. FIXED ASSETS AND DEPRECIATION

- a) Fixed assets are stated at cost less Modvat Credit on specific Fixed Assets and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation are added to the cost of fixed assets.
- b) 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 compound 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.

3. CAPITAL WORK-IN-PROGRESS

These are stated at cost relating to items or projects, incurred during construction / installation/ pre-operative period.

4. INVESTMENTS

Long Term Investments are valued at cost.

5. 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 Modvat), labours and factory overheads. Finished products also include Excise Duty on product manufactured.

6. SALES

Sales include Excise Duty and are accounted for on passing of property of goods irrespective of actual dispatches. Rebates, discounts, claim and other non recoverable are excluded there from.

7. RESEARCH AND DEVELOPMENTS

Revenue expenditure on Research and Developments is charged in the year in which it is incurred. Expenditure which results in creation of Assets is included in Fixed Assets and depreciation is provided on Assets as applicable.

8. FOREIGN CURRENCY TRANSACTION

Foreign currency transactions in respect of exports are accounted at daily rates of conversion and actual gain or loss arising on remittances is charged to the Profit & Loss Account in the year of actual realization of sale proceeds.

9. 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.

10. 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.

11. PRIOR PERIOD ADJUSTMENTS

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

12. 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 profit and loss account.

13. 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 Profit and Loss Account as income and expense.

14. EARNING PER SHARE

The Company reports Earning Per Share (EPS) in accordance with Accounting Standard 20. Basis 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.

15. 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.

16. TREATMENT OF CONTINGENT LIABILITIES

Contingent liabilities if any are disclosed by way of Notes.

B. NOTES ON ACCOUNTS:

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.65.37 Lakhs
(Previous year Rs 102.04 Lakhs)
2. Contingent Liabilities not provided for in respect of :
 - a] Excise Duty Matters Pending Rs. 209.70 Lakhs Plus Interest and Penalty if any.
 - b] Jharkhand Entry Tax Matters Pending. Rs.81.75 Lakhs.
 - c] The Durgapur Projects Limited electricity Matters Pending Rs.97.94 Lakhs.
3. Travelling expenses include Directors Travelling Rs. 3.96 Lakhs (previous years Rs. 0.42 Lakhs).

4. **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, 2009 under revised AS -15 norms. Rs. 0.80 Lakhs has been provided in the books in the current financial year.

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

	01.04.2008	31.03.2009
(Rs. In Lakhs)		
Assets/Liabilities		
1. Present Value of obligation	27.80	28.60
2. Fair Value of Plan Assets	0	0
3. Net Asset/(Liability) recognized in Balance Sheet	(27.80)	(28.60)
Employer Expense		
	Year ending 31.03.2008	31.03.2009
(Rs. In Lakhs)		
1. Current Service Cost	4.97	4.32
2. Total Employer Expense	3.37	2.70

ii) **Summary of Membership Data**

As at	01.04.2008	31.03.2009
Number of employees	173	163
Total Monthly Salary in (Rs. In Lakhs)	13.64	11.72
Average past service (years)	5.62	6.49
Average future service (years)	22.10	18.56

iii) **Summary of Financial Assumption Data**

As at	01.04.2008	31.03.2009
Discount Rate per annum Compound	8.00%	8.00%
Rate of increase in salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	22.10%	18.56%

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, 2008

	(Rs. In Lakhs)
A. Funded Status	
1. Present value of Defined Benefit Obligation	27.80
2. Fair value of Plan Assets	-
3. Funded status [Surplus/(Deficit)]	(27.80)
4. Effect of Balance Sheet Asset Limit	-
5. Unrecognized Past Service Costs	-
6. Net Asset/(Liability)/ recognized in Balance Sheet	(27.80)

**Total expense recognized in the Statement of Profit & Loss
Year Ended 31st March, 2009**

A.	Components of Employer Expense	(Rs. In Lakhs)
1.	Current Service Cost	4.32
2.	Interest Cost	2.26
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)	(3.87)
8.	Total expense recognized in the Statement of Profit & Loss	2.70
B. Actual Contribution and Benefits Payments for period ended 31st March, 2009		
1.	Actual benefit payments	1.90
2.	Actual Contributions	1.90

Net Asset/(Liability) recognized in the Balance Sheet – 31st March, 2009

A.	Funded Status	(Rs. In Lakhs)
1.	Present value of Defined Benefit Obligation	28.60
2.	Fair value of Plan Assets	—
3.	Funded status [Surplus/(Deficit)]	(28.60)
4.	Effect of Balance Sheet Asset Limit	—
5.	Unrecognized Past Service Costs	—
6.	Net Asset/(Liability)/ recognized in Balance Sheet	(28.60)
1.	Net Asset/(Liability) recognized in Balance Sheet at beginning period	(27.80)
2.	Employer expense	2.70
3.	Employer Contribution	(1.89)
4.	Net Asset/(Liability) recognized in Balance Sheet at end of the period	(28.60)

Reconciliation of Defined Benefit Obligations and Fair Value of Assets

A.	Change in Defined Benefit Obligations	(Rs. In Lakhs)
1.	Present value of DBO at beginning of period	27.79
2.	Current Service Cost	4.32
3.	Interest Cost	2.26
4.	Curtailment Cost/(Credit)	—
5.	Settlement Cost/(Credit)	—
6.	Employee Contribution	—
7.	Plan Amendments	—
8.	Acquisitions	—
9.	Actuarial (Gains)/Losses	(3.87)
10.	Benefit Paid	(1.90)
11.	Present value of DBO at the end of period	2.86

Change in Fair Value of Assets		(Rs. In Lakhs)
1.	Plan Assets at beginning of period	—
2.	Actual return on Plan Assets	—
3.	Actual Company Contributions	1.90
4.	Employee Contributions	—
5.	Benefits Paid	(1.90)
6.	Plan Assets at the end of period	—

5.	Deferred Tax Asset/ liability (Net)	As at 31 st March 2008	Current Year Charge/ Credit	Deferred Tax Asset/ (Liability) As at 31 st March 2009
	Deferred Tax Liability	413.52	—	413.52
	(A)	(413.52)	—	(413.52)
	Deferred Tax Asset	—	—	—
	(B)	297.58	115.94	413.52
	Deferred Tax Liability (Net) (A-B)	(115.94)	115.94	NIL

In accordance with Accounting Standard (AS) 22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year. The company has significant amount of carry forward losses and depreciation under Income Tax Act. During the current year the company generates a Deferred Tax Asset of Rs 1001.79 Lakhs. However as a matter of prudence Deferred Tax Asset has been recognized to the extent there is deferred tax liability.

6. i) The Company is engaged in the main business of steel products, which in the context of Accounting Standards – 17 “Segment Reporting” issued by the ICAI is considered the only business segment as other business is less than 10% of the total revenue.

ii) Geographical Segments

- a) The following table shows the distribution of the Company's sales by Geographical Market :-
(Rs. in lakhs)

Revenue	Year Ended 31st March 2009	Year Ended 31st March 2008
India	7426.82	17881.87
Outside India	2741.52	2846.06
	<u>10168.34</u>	<u>20727.93</u>

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

7. Related Party Disclosures

- a) List of Related Parties and relationship.

Party	Relationship
A. Shri. Ravi Kumar Kajaria	Managing Director
B. Shri. Pradip Chandra Sahoo (Appointed W.e.f. 16 th January 2009)	Executive Director
C. Shri. Manish Seth (Ceases to be Director from 21 th September 2008)	Executive Director
D. Shri. Radhey Shyam Jalan (Appointed W.e.f. 16 th January 2009)	Director
E. Apex Energy Resources Limited.	Associates Company
F. Karni Syntex Private Limited.	Promoter Company
G. R.K Kajaria & Sons H.U.F	Relative of Key Management Personnel

b) Transaction During the year.	2008-09	2007-08
1) With Key management Personnel		
i) Directors Remuneration	18.33	27.00
2) With Associates Company		
i) Sale of Finished Goods and Raw Materials	19.32	--
ii) Purchase of Raw Materials	4460.39	--
iii) Loan Taken	836.84	--
iv) Interest Paid	4.08	--
v) Balance Payable at year end	1735.24	--
3) With Promoter Company		
i)) Loan Taken	1570.00	--
ii) Balance Payable at year end	960.00	--
4) With Relative of Key Management Personnel		
i) Equity Share Issued	45.40	--

8. The Company has allotted on 4th April 2008, 454000 Equity Shares of Rs. 10/- each at a premium of Rs. 45/- per share to Promoter out of 909000 convertible warrants of Rs. 10/-each at a premium of Rs. 45/- each issued to the Promoter on 20th October 2006 and convertible within 18 months from the date of allotment. Out of above 4,55,000 equity shares of Rs.10/-each at a Premium of Rs. 45/-per share was allotted to the promoter in previous year on 18th June 2007 and same is adjusted out of advance against Share Capital and Share Application Money.

9. Depreciation on Coke Oven Plant has not been provided during the year, since the Plant was not in operation due to commercial reason.

10 ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF THE COMPANIES ACT, 1956

(A)	Class of Products	Licenced Capacity (MT)		Installed Capacity (MT)		Production (MT)	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	ij] Pig Iron	2008-09	N.A.	110000	110000	26205	102145
		2007-08	N.A.	110000	110000	102145	102145
	ii] Portland Slag Cement	2008-09	N.A.	33000	33000	822	7675
		2007-08	N.A.	33000	33000	7675	7675
	iii] C.I. Castings	2008-09	N.A.	18000	18000	6528	7051
		2007-08	N.A.	18000	18000	7051	7051
	iv] Met Coke	2008-09	N.A.	144000	144000	—	—
		2007-08	N.A.	144000	144000	—	—

B) PARTICULARS IN RESPECT OF TURNOVER, CLOSING STOCK & OPENING STOCK

a)	Class of products	2008-09	2007-08	Turnover		Closing Stock		Opening Stock	
				MT	(Rs.in lakhs)	MT	(Rs.in lakhs)	MT	(Rs.in lakhs)
	Pig Iron	28076*	101945	4330.39	16586.64	2179	4050	4050	3850
		28076*	101945	4330.39	16586.64	2179	4050	375.57	1198.00
		2007-08	101945	16586.64	16586.64	4050	4050	1198.00	660.67
	b) Portland Slag Cement	322	7675	17.54	163.72	—	—	—	—
		322	7675	17.54	163.72	—	—	—	—
		2007-08	7675	163.72	163.72	—	—	—	—
	c) C.I Castings	4876	7396	1842.91	2103.39	2477	825	825	1170
		4876	7396	1842.91	2103.39	2477	825	796.66	255.72
		2007-08	7396	2103.39	2103.39	825	825	255.72	295.15
	d) Others	16.98	32.44	0.60	—	—	—	—	—
		16.98	32.44	0.60	—	—	—	—	—
		2007-08	32.44	—	—	—	—	—	—

NOTE : * Include inter unit transfer 5125 MT (Previous year 7996 MT)

C) PARTICULARS IN RESPECT OF TRADED GOODS

a)	Class of products	2008-09	2007-08	Opening Stock		Purchase/Realisation		Sales		Closing Stock	
				MT	(Rs.in lakhs)	MT	(Rs.in lakhs)	MT	(Rs.in lakhs)	MT	(Rs.in lakhs)
	Iron Ore & Other	6538	3707	361.56	37.07	27055*	43154	30425	40323	3167	6538
	Fines	6538	3707	361.56	37.07	27055*	43154	30425	40323	3167	6538
		2007-08	3707	37.07	37.07	43154	43154	40323	40323	6538	361.56
	b) Coke & Coal	—	—	7261	4172	859.37	630.00	6569	4172	691	—
		—	—	7261	4172	859.37	630.00	6569	4172	691	—
		2007-08	—	—	4172	630.00	630.00	4172	684.49	—	—

NOTE : * Include self generated Fines 16314 MT (Previous year 25037 MT)

D) PARTICULARS OF RAW MATERIALS CONSUMED

i)	Class of products	2008-09		2007-08	
		MT	(Rs. in lakhs)	MT	(Rs. in lakhs)
	Pig Iron	7302*	624.98	7857	—
	ii) Iron Ore	44515	2645.42	190578	6820.47
	iii) Met coke	19430	3150.08	101597	9159.44
	iv) Clinker	608	23.01	5679	181.83
	v) Gypsum	8	0.06	77	0.56
	vi) Others	—	264.04	—	431.54
	Total	6707.59	6707.59	16593.84	16593.84

NOTE : * Include captive consumption 5125 MT (previous year 7857 MT)

E) PARTICULARS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED.

i)	Consumption of Raw Materials	Amount(2008-09)		Amount(2007-08)	
		(Rs.in lakhs)	%	(Rs.in lakhs)	%
	Imported	—	—	8442.39	50.76
	Indigenous	6707.59	100.00	8151.45	49.24
	Total	6707.59	100.00	16593.84	100
	ii) Consumption of Stores & Spares	—	—	—	—
	Imported	—	—	—	—
	Indigenous	106.58	100.00	298.64	100
	Total	106.58	100.00	298.64	100

F) EARNINGS IN FOREIGN CURRENCY

FOB value of exports (Rs. In lakhs)	2645.22	2846.06
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G) EXPENDITURE IN FOREIGN CURRENCY

Travelling (Rs. In lakhs)	1.86	0.41
---------------------------	------	------

11. During the relevant financial year the operation of the major part of the manufacturing remained suspended due to adverse market condition and economic recession. The pig iron division being the MBF Plant remained closed from 27th April, 2008 to 14th December, 2008, the Cement Plant remained closed from 24th April, 2008 to 31st March, 2009 and the Coke Oven plant remained closed for the whole of the year and is not in operation since 1st July, 2007. However, since the foundry division was in operation for the whole of the year the said temporary shutdown has not affected the going concern assumption of the company, as the production has been restored to normally.

12. The conveyance deed for the purchase of property at Haldia is pending for registration.

13. Salary includes following remuneration to the Managing Director and Executive Director
(Rs. In Lakhs)

a]	Managing Director	13.50	18.00
b]	Executive Director	4.83	9.00
		-----	-----
		18.33	27.00
		-----	-----

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

15. As required by Accounting Standard AS – 20 "Earnings per Share" necessary figures are furnished below :-

	(Rs. in Lakhs.)	
	Year ended <u>31.03.2009</u>	Year ended <u>31.03.2008</u>
a] Profit /(Loss) after taxation	(3113.33)	(327.94)
b] Weighted average No. of Equity Shares	5594225	5046721
c] Weighted average No. of Equity Shares for diluted EPS	5594225	5500721
d] Face value of Equity Shares (Rs.)	10	10
e] EPS (Basic) (Rs.)	(55.65)	(6.50)
f] EPS (Diluted) (Rs.)	(55.65)	(5.96)

16. Balance Sheet Abstract and Company's General Business Profile (in terms of amendment to Schedule VI Part IV) is annexed herewith.

17. 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.

18. Micro , Small and Medium Class Enterprises:

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 2009. 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.

19. Previous year figures have been regrouped/ rearranged wherever necessary.

20. Figures have been shown in the lakhs only in accordance with the Notification 46/116/2002 – CL III dt 01.08.2002 in term of our report of even date.

For **AGARWAL MAHESWARI & CO**
Chartered Accountants

R.S.JALAN
Director

R.K. KAJARIA
Chairman & Managing Director

D. R. AGARWAL
(Partner)
Membership No. 051484

P.K.PAUL
Director

Place: Kolkata
Dated : The 7 th day of August 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(In terms of amendment to Schedule VI Part IV)

I. Registration details			
Registration No.	:	41169	State Code : 21
Balance Sheet Date	:	31.03.2009	
II. Capital raised during the year (Amount in Rs. thousands)			
Public Issue	:	Nil	Right Issue : Nil
Bonus Issue	:	Nil	Private Placement : 4,540
III. Position of mobilisation and deployment of Funds : (Amount in Rs. thousands)			
Total Liabilities	:	784,964	Total Assets : 784,964
Sources of Funds	:		Reserves & Surplus : 157,887
Paid-up Equity Capital	:	55,992	Unsecured Loans : 198,521
Secured Loans	:	366,095	Advance against Share Capital : Nil
Redeemable Preference	:	Nil	Share Application Money : Nil
Share Capital	:		
Deferred Payment Credit	:	6,469	
Application of Funds	:		
Net Fixed Assets	:	515,815	Investments : Nil
Net Current Assets	:	150,297	Deferred Revenue Expenditure : Nil
Accumulated Losses	:	118,852	to the extent not written off
IV. Performance of Company (Amount in Rs. thousands)			
Turnover & other Income	:	1,029,290	Total Expenditure : 1,352,097
Profit/(Loss) after tax	:	(311,925)	Profit/(Loss) before tax : (322,807)
Earning per share	:	(55.65)	
(In Rs.)	:		
Dividend Rate (%)	:	Nil	
V. Generic names of three principal/services of company (as per monetary terms)			
Item Code No. (ITC Code)	:	732599.09	
Product Description	:	C I Industrial Castings	
Item Code No. (ITC Code)	:	732690.11	
Product Description	:	C I Sanitary Castings	
Item Code No. (ITC Code)	:	72011000	
Product Description	:	Pig Iron and its By-Products	
Item Code No. (ITC Code)	:	25232940	
Product Description	:	Slag Cement	
Signature to Schedules 1 to 18 referred to above which form part of the Balance Sheet and Profit & Loss Account			
For AGARWAL MAHESWARI & CO Chartered Accountants	R.S. JALAN Director	R.K. KAJARIA Chairman & Managing Director	
D.R.AGARWAL Partner			
Place : Kolkata Dated : The 7th day of August 2009		P.K.PAUL Director	

KIC METALIKS LIMITED

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

NOTICE

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of KIC METALIKS LIMITED will be held at Calcutta Chamber of Commerce, 18H, Park Street, Kolkata – 700 017 on Tuesday, the 22nd September, 2009 at 10.00 a.m. to transact the following business :

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2009 and the Balance Sheet as at that date along with all Annexures and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri P. K. Paul who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri S. L. Mandai who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :-
"Resolved that Shri S. K. Singhal, be and is hereby appointed as Director of the Company."
6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :-
"Resolved that Shri T. N. Gunaseelan, be and is hereby appointed as Director of the Company."
7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :-
"Resolved that Shri R.S. Jalan, be and is hereby appointed as Director of the Company."
8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-
"RESOLVED THAT Shri P. C. Sahoo, be and is hereby appointed as an Executive Director of the Company for a period of 3 years from 16th January, 2009 to 16th January 2012 at the following terms and conditions:

A)	Basic Salary	: Rs. 24,000.00 p.m.
B)	H.R.A.	: Rs. 9,600.00 p.m.
C)	Medical Allowance	: Rs. 3,600.00 p.m.
D)	Special Allowance	: Rs. 36,000.00 p.m.
		<u>Rs. 73,200.00 p.m.</u>

- E) Car with Driver provided, maintained by the Company for official use."

By Order of the Board
For KIC METALIKS LIMITED.

Chairman & Managing Director

Place : Kolkata

Dated: The 7th day of August, 2009.

NOTES:

1. 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 HOURS BEFORE THE MEETING.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under items 5 to 8 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September 2009 to 22nd September, 2009, both days inclusive.
4. Members are requested to notify change of address, if any, with PINCODE to the Company or to its Share Transfer Agents quoting reference of their folio number and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. A member desirous of getting any information on the accounts or operations of the Company or share/ debenture related matter is requested to forward his/her query(ies) to the Company at least ten days prior to the meeting to enable the Management to keep the required information readily available at the meeting.
6. Section 109A of the Companies Act, 1956 has extended nomination facility to Individuals Shareholders in Companies, in particular. Those holding shares in single name, are requested to avail of the above facility by submitting the prescribed format which may be obtained from the Company's Registrars.
7. Members are requested to bring their copies of Annual Report to the Meeting.
8. ATTENDANCE WILL START AT 8.30 A.M.

By Order of the Board
For **KIC METALIKS LIMITED.**

Chairman & Managing Director

Place : Kolkata

Dated : The 7th day of August 2009

KIC Metaliks Limited

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

Folio No.

PROXY FORM

I/We.....
of.....being a member/members of
KIC Metaliks Limited hereby appoint.....
of.....
or failing him.....
or failing him.....
as my/our Proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, September 22, 2009 at 10.00 A.M. and at any adjournment thereof.
Dated this.....day.....2009

Signature

affix 1 Rupee Revenue Stamp

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the Meeting.



KIC Metaliks Limited

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

Folio No

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only Members of their proxies are entitled to be present at the meeting.

Name & Address

I hereby record my presence at the Annual General Meeting held on Tuesday, September 22, 2009

Signature of the Shareholder/Proxy

Note : Shareholder/Proxy holder desiring to attend the meeting are requested to bring their copy of the Annual Report for reference at the meeting.

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 5

Shri S.K. Singhal was appointed as Additional Director of the Company in the meeting of the Board of Directors held on 7th August, 2009, as per section 260 of the Companies Act, 1956. He will hold office of Director till the conclusion of the forthcoming Annual General Meeting. However the Company has received a Notice in writing from a member of the Company u/s 257 of the Companies Act, 1956 stating that he would propose the name of Shri S.K. Singhal for office of Director in the forthcoming Annual General Meeting. Shri S.K. Singhal is willing to act as Director, if so appointed and has filed with the Company his consent u/s 264(1) of the Act.

The Board of Directors recommend the resolution for approval of the Members:

Save and except Shri S. K. Singhal, none of the Directors of the Company are concerned or interested in the resolution being item no.5 in the notice convening the Annual General Meeting.

Item No. 6

Shri T.N. Gunaseelan was appointed as Additional Director of the Company in the meeting of the Board of Directors held on 7th August, 2009, as per section 260 of the Companies Act, 1956. He will hold office of Director till the conclusion of the forthcoming Annual General Meeting. However the Company has received a Notice in writing from a member of the Company u/s 257 of the Companies Act, 1956 stating that he would propose the name of Shri T.N. Gunaseelan for office of Director in the forthcoming Annual General Meeting. Shri T.N. Gunaseelan is willing to act as Director, if so appointed and has filed with the Company his consent u/s 264(1) of the Act.

The Board of Directors recommend the resolution for approval of the Members.

Save and except Shri T.N. Gunaseelan, none of the Directors of the Company are concerned or interested in the resolution being item no. 6 in the notice convening the Annual General Meeting.

Item No. 7

Shri R.S. Jalan was appointed as Additional Director of the Company in the meeting of the Board of Directors held on 16th January, 2009, as per section 260 of the Companies Act, 1956. He will hold office of Director till the conclusion of the forthcoming Annual General Meeting. However the Company has received a Notice in writing from a member of the Company u/s 257 of the Companies Act, 1956 stating that he would propose the name of Shri R.S. Jalan for office of Director in the forthcoming Annual General Meeting. Shri R. S. Jalan is willing to act as Director, if so appointed and has filed with the Company his consent u/s 264(1) of the Act.

The Board of Directors recommend the resolution for approval of the Members.

Save and except Shri R. S. Jalan, none of the Directors of the Company are concerned or interested in the resolution being item no. 7 in the notice convening the Annual General Meeting.

Item No. 6

Shri P.C. Sahoo was appointed as Additional Director of the Company in the meeting of the Board of Directors held on 16th January, 2009. Thereafter he was further appointed as an Executive Director of the Company for a period of 3 years from 16th January, 2009 to 16th January 2012 at the following terms and conditions:

A) Basic Salary	: Rs. 24,000.00 p.m.
B) H.R.A.	: Rs. 9,600.00 p.m.
C) Medical Allowance	: Rs. 3,600.00 p.m.
D) Special Allowance	: Rs. 36,000.00 p.m.
	<u>Rs. 73,200.00 p.m.</u>

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

At this General Meeting, his appointment as an Executive Director is being ratified w.e.f. 16th January, 2009.

The Board of Directors recommend the resolution for approval of the Members.

Save and except Shri P. C. Sahoo, none of the Directors of the Company are concerned or interested in the resolution being item no. 8 in the notice convening the Annual General Meeting.

By Order of the Board
For **KIC METALIKS LIMITED.**

Place : Kolkata

Dated : The 7th day of August 2009

Chairman & Managing Director

DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN TWENTY-SECOND ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of Listing Agreements)

Name of the Director(s)	Shri P.K.Paul	Shri S.L.Mandal	Shri S. K. Singhal	Shri T. N. Gunaseelan	Shri R.S. Jalan	Shri P.C.Sahoo
Date of birth	21.04.1921	05.04.1950	28.04.1968	27.03.1965	23.06.1980	27.11.1967
Qualifications	B.Sc; B.Met	Chartered Accountant	B.E.(Mechanical) MBA	B.Tech(Mining Engineering)	B.Com (Hons.) Chartered Accountant	B.Engg.(Mechanical) Diploma in Business Management
Date of appointment	08.11.2002	08.11.2005	07.08.2009	07.08.2009	16.01.2009	16.01.2009
Expertise in specific functional areas	Metallurgical Engineer	Finance and Taxation	Project Management	Mining and Project Consultancy	Finance Business Administration	Business Management Mechanical Engineering
List of other Public Companies in which Directorship held (excluding in foreign companies)	1) Orissa Sponge Iron & Steel Ltd. 2) National Iron & Steel Co. Ltd 3) Fusion Engineering Product Ltd.	None	None	None	1) Apex Energy Resources Ltd.	None
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign companies)	Chairman of Audit Committee of Orissa Sponge Iron & Steel Ltd.	None	None	None	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the company	Nil	Nil	Nil	Nil	Nil	Nil

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