



# K I C METALIKS LIMITED

"Sir R. N. M. House", 3B, Lal Bazar Street,  
4th Floor, Room No. 2, Kolkata – 700 001  
Phone : +91-33-4007 6552  
Fax : +91-33-4001 9636

Dated: September 1, 2022

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001

**Sub** : Annual Accounts for the financial year 2021-22  
**Ref.** : Scrip Code - 513693; Name: K I C Metaliks Limited

Dear Sir/Madam,

Please be informed that 35<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on **Friday, September 23, 2022 at 10.30 a.m. (IST)** via Video Conference/Other Audio-Visual Means only, in accordance with the General Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and the Securities and Exchange Board of India Circulars dated May 12, 2020 and January 15, 2021.

Please find enclosed herewith the 35<sup>th</sup> Annual Accounts of K I C Metaliks Limited for the financial year 2021-22 along with the Notice of the 35<sup>th</sup> AGM. The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Annual Report is available on the website of the Company at [www.kicmetaliks.com](http://www.kicmetaliks.com).

This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and record.

For, K I C METALIKS LTD  
  
Company Secretary  


Encl: As above

**CIN : L01409WB1986PLC041169**

Factory: Village - Raturia, Angadpur, Durgapur - 713 215, Phone : +91 987 494 3345  
Email: [info@kicmetaliks.com](mailto:info@kicmetaliks.com), Website: [www.kicmetaliks.com](http://www.kicmetaliks.com)



# GROWING THE RIGHT WAY

Annual Report

**2021-22**



**K I C METALIKS LIMITED**

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



# Enriching Lives





With Stability in operations, Scalability through capacity expansions, Sustainability through inclusive growth of associated stakeholders - **KIC METALIKS LIMITED** is moving ahead and

**GROWING THE RIGHT WAY.**

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# Introducing K I C METALIKS LIMITED

Headed by visionary entrepreneur, Mr. Radhey Shyam Jalan as its Chairman & Managing Director, the Company has touched new heights of success in the domestic iron & steel industry for its unique product quality widely accepted in the castings industry.

Incorporated 1986	Corporate Headquarter Kolkata	Plant location Durgapur	Products manufactured Pig Iron
Manufacturing capacity 2,35,000 MTPA	Market Capitalisation as on March 31, 2022 ₹ 18,937.12 Lakhs	No. of employees as on March 31, 2022 326	Shares listed Bombay Stock Exchange Limited

## Know your product

Pig iron also known as crude iron, is an intermediate product of the iron industry in the production of steel which is obtained by smelting iron ore with the high carbon fuel such as coke, usually with limestone as a flux in Blast Furnace or by smelting ilmenite in Electric Furnace.

Pig iron is supplied in a variety of ingot sizes and weights, ranging from 3 kg upto more than 50 kg. The vast variety of pig iron is produced and consumed within integrated steel mill complexes.

Pig Iron comprises three main types: BASIC PIG IRON which used mainly in electric arc steelmaking, FOUNDRY PIG IRON used in mainly in the manufacture of grey iron castings in cupola furnaces, and NODULAR PIG IRON (SG GRADE) used in the manufacture of ductile iron castings. Pig iron is used for steel making, foundries, alloy making, in automotive castings and other iron based castings.

# Mission

The Company endeavors to achieve its vision through:

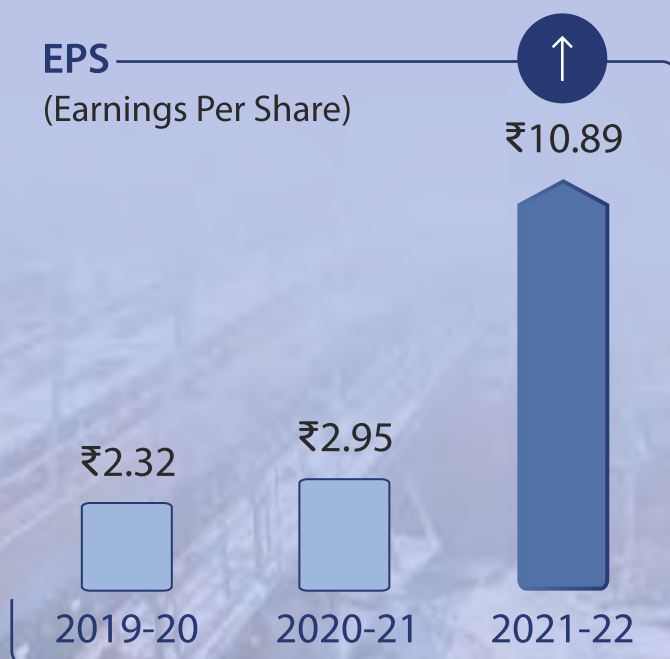
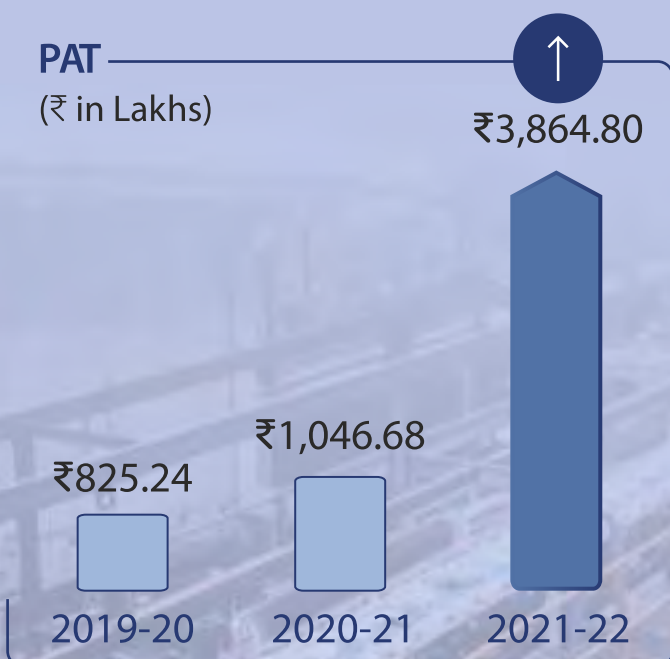
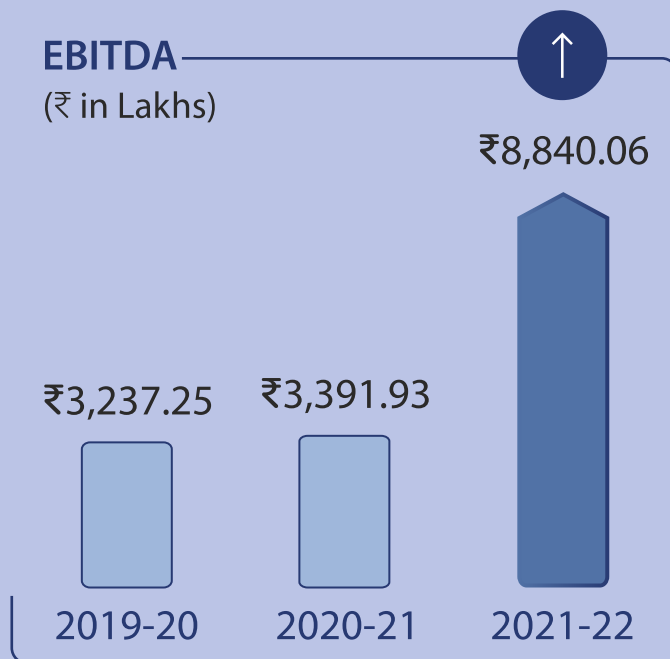
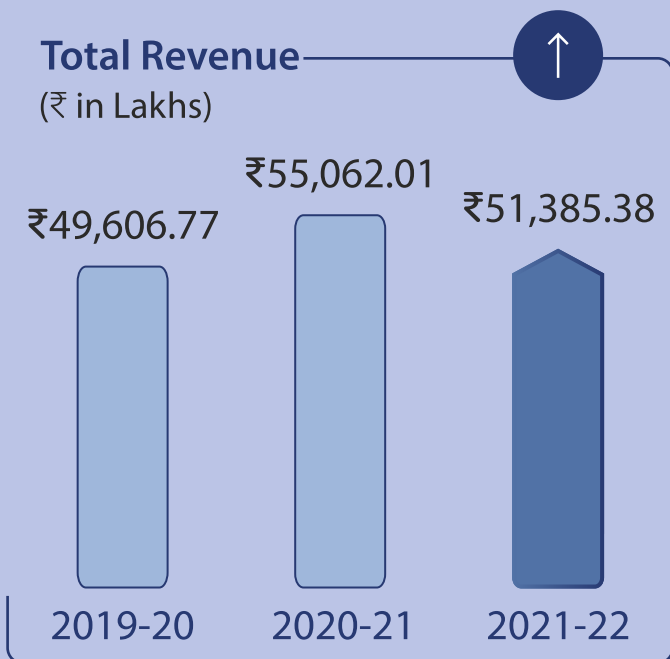
- Technological improvements.
- Achieving cost-effectiveness.
- Focusing on its unique product quality.
- Expanding its market.
- Achieving customer satisfaction for both stated and implied needs.
- Being a responsible corporate citizen.
- Providing work environments where our employees can meet their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

# Vision

To become one of the most competitive Integrated Steel Plants with diversified product offering.

# Performance snapshot

Given our brand supremacy and strong product attribute in the domestic Pig Iron industry, we have been successful in gaining market share. In line with the overall trend of the economy, our business has also seen demand pick-up. Our teams continue to work on various avenues of cost reduction methodically, which includes looking at alternative raw materials. Thus capitalising on its competitiveness we generated higher returns thereby creating a holistic value-creation for our stakeholders.







## Stability in operations



To maintain an efficient and productive manufacturing process you need stability. A stable process works within specified control limits and without access variation and reduces consistent results overtime. Operational stability increase throughout, reduces waste and associated costs and ensures production and quality targets are met and requires comprehensive planning, optimised scheduling and disciplined work management.

Encompassing all of above, at KIC we have not just enhanced our capacities to reduce costs but has also been able to maintain the growth despite carrying out major repairs of the MBF during FY 21-22. We increased our margins substantially over the last year.

We have delivered this exceptional performance by strengthening our operational capabilities, by implementing lessons learnt from the past and by further enhancing our customers' satisfaction. We are accelerating towards a secure future by producing high quality and repeatedly demanded Pig Iron grades, by being a more agile Company with lower overhead costs and by being more environmentally responsible and hence stable.

# Scalability

## through capacity expansions

In the volume driven segment of the iron and steel industry, strength comes through scale which gives Companies pricing power. Scalability describes an organization's capacity to adapt to increased workload or market demands. A scalable firm is able to quickly ramp up production to meet demand and at the same time benefit from economies of scale.

K I C on the back of the upgraded MBF plant, focused on forging new customer relationships, established new markets and increases the wallet share of existing clients.



# Sustainability

through inclusive growth of associated stakeholders

Every single success at KIC is evaluated through a simple parameter: is it sustainable? This simplified approach has helped us prioritise proximity to raw materials, markets, return on capital employed, thus leading to steady business predictability. In turn, this predictability has inspired the confidence of bankers, facilitating timely resource mobilisation and sustaining the growth of our investment engine.

K I C recognises that it has been 'empowered' to empower others as its well-being depends upon the well-being of the community. It believes in the principle of 'giving back' and continued its work in the areas of Healthcare, education, livelihood and providing access to drinking water. We are also focusing on making the medical care infrastructure better across our operating area to better deal with health emergencies in future. We are striving hard to reduce our carbon emissions and build a workplace where we can embrace differences in individuals and create an inclusive culture for our valuable human resource.



# Corporate Information

## BOARD OF DIRECTORS

### **Mr. Radhey Shyam Jalan**

*Chairman & Managing Director*

### **Mr. Mukesh Bengani**

*Director (Finance) and CFO*

### **Mr. Laxmi Naryan Sharma**

*Independent Director*

### **Mrs. Manjula Poddar**

*Independent Director*

### **Mrs. Ishita Bose \***

*Independent Director*

### **Mr. Rajarshi Ghosh \*\***

*Independent Director*

### **Mr. Kanhaiyalal Didwania**

*Non Independent Director*

### **Mrs. Ruchika Fogla**

*Company Secretary &  
Compliance Officer*

## STATUTORY AUDITORS

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

## INTERNAL AUDITORS

M/s. Agarwal Maheswari & Co.  
*Chartered Accountants*  
6, Waterloo Street, 5th Floor,  
Room No. 504, Kolkata – 700 069  
West Bengal, India

## COST AUDITORS

M/s. Patangi & Co.  
"Fortuna Tower"  
23 A, Netaji Subhash Road, 1st Floor,  
Suit No- 13, Kolkata – 700 001  
West Bengal, India

## SECRETARIAL AUDITORS

M/s. B. G. Lahoti & Associates  
493/C/A, G. T. Road (South), Vivek Vihar,  
Phase- III, 2nd Floor, Office No. 2C,  
Kolkata – 711102  
West Bengal, India

## PLANT LOCATION

Raturia, Angadpur, Durgapur - 713 215  
West Bengal, India  
Phone : +91 9874943345

## REGISTRAR AND SHARE

### TRANSFER AGENT

M/s. S. K. Infosolutions Pvt. Ltd.  
D/42, Katju Nagar (Near South City Mall),  
Ground Floor, Katju Nagar Bazar,  
Jadavpur, Kolkata -700 032  
West Bengal, India  
Phone :+91 33 2412 0027/29

## BANKERS

Union Bank of India  
HDFC Bank Limited  
YES Bank Limited

\* Appointed on August 6, 2021

\*\* Resigned on August 6, 2021

# K I C METALIKS LIMITED

CIN: L01409WB1986PLC041169

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

Phone: +91 33 4007 6552; Fax: +91 33 4001 9636

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



## From the Chairman's Desk

Dear Members,

### **Resilience, Perseverance, Progress**

It gives me great pleasure to present to you the 35th Annual Report of your Company for the FY 2021-22.

Hope all of you and your loved ones are keeping safe and are in good health.

The unprecedented second wave of the COVID 19 pandemic which devastated lives and livelihood both in India and worldwide, K I C is now looking forward to a robust growth phase. While the unforeseen challenges for the business, we also encountered good growth opportunities during this period, which we successfully lapped up in spite of the challenges.

The global economic downturn continued to impact pig iron industry resulting in reduced budgets, cost cutting initiatives, longer decision making cycles and pricing pressures from existing customers. Overall, this meant a relatively low growth rate for the Indian pig iron industry which responded by tightening cost structures, crafting new, low-cost solutions for customers and seeking new growth markets. Despite the severe challenges resulting from such adverse market conditions, your Company significantly improved its profitability.

Your Company achieved EBITDA of ₹ 8,840.06 Lakhs as compared to ₹ 3,391.93 Lakhs in FY 2020-21. PBT amounted to ₹ 5,762.32 Lakhs which is significantly higher as compared to ₹ 1,467.23 Lakhs in previous year. This performance is stellar when viewed against the backdrop of the extremely challenging business context, in which this was achieved and demonstrate your Company's resilient and perseverant character. New customer acquisitions, cost management actions, streamlining of processes, improved working capital management and renewed thrust on scaling up existing capacities were critical to achieving this performance. Although efficiency improvement has always been an ongoing process at K I C Metaliks to improve realisations, we also focused on the long-term security of raw materials to offset any input cost volatilities. Over the years our backward integration measures by installing the Sinter Plant and the Captive Power Plant and their upgradation transpired into higher realisations of today. This was backed by attractive finished good prices which resulted in excellent topline and bottomline numbers for FY 2021-22.

We believe that continuing inflation in the cost of domestic and imported raw materials will exert pressure on industry's profitability in the near term but your Company, with an expanded and fully functional MBF and a well accepted product and an efficient and responsive supply chain is well positioned to mitigate the impact of these cost escalations and further strengthen its position in the Indian pig iron industry.

There is a good reason why passion and planning has a critical role to play in our Company. We are a multi-decade enterprise, with only a singular product focus – Pig Iron. Through a set of dedicated customer base and repeat orders backed by meticulous planning we were able to achieve growth and create a holistic shareholders value.

Your management remains bullish on the prospects of the steel industry in India. Higher levels of consumer awareness, relatively low levels of per capita consumption and penetration and increased government spending on infrastructure are some of the other key factors that are expected to drive transformational change in the Indian steel industry.

Your Company continues to focus on maintaining the highest quality and safety standards at its Plant in Durgapur. We invest in human capital to promote economic prosperity, fuller employment, and social cohesion.

Winding up, let me express my heartfelt thanks to every stakeholder for standing by your Company in tough times, assuming responsibilities of true partnership. More than in any other year I state my admiration for employees, management and all associated stakeholders for their single-minded commitment to K I C. It reassures me that your Company is in safe hands.

Warm Regards,

**Radhey Shyam Jalan**

Chairman and Managing Director

# Director's report

## Dear Members,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report on the affairs of the Company together with the Statement of Accounts for the financial year 'FY' 2021-22. The summarised financial highlights for the financial year vis-a-vis the previous year are as follows:

### 1. FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>Revenue from operations</b>	<b>51,385.38</b>	<b>55,062.01</b>	<b>51,385.38</b>	<b>55,062.01</b>
Profit before finance cost, depreciation and taxes	8,840.06	3,391.93	8,842.62	3,391.80
Less : Finance Cost	1,896.33	1,030.73	1,896.33	1,030.78
Depreciation and amortization	1,181.41	893.97	1,181.41	893.97
Profit Before Taxation	5,762.32	1,467.23	5,764.88	1,467.05
<b>Provision for Taxation</b>	<b>1,897.52</b>	<b>420.55</b>	<b>1,897.52</b>	<b>420.55</b>
<b>Profit After Tax for the year</b>	<b>3,864.80</b>	<b>1,046.67</b>	<b>3,867.36</b>	<b>1,046.67</b>
<b>Other Comprehensive Income (net of tax)</b>	<b>3.01</b>	<b>6.76</b>	<b>3.01</b>	<b>6.76</b>
<b>Total Comprehensive Income for the year</b>	<b>3,867.81</b>	<b>1,053.44</b>	<b>3,870.37</b>	<b>1,053.26</b>

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

On Standalone Basis, the Revenue from operations of the Company for fiscal 2022 stood at ₹ 51,385.38 Lakhs as against ₹ 55,062.01 Lakhs for fiscal 2021. Profit after Tax 'PAT' for fiscal 2022 stood at ₹ 3,864.80 Lakhs as against ₹ 1,046.67 Lakhs for fiscal 2021.

On Consolidated Basis, the Revenue from operations of the Company for fiscal 2022 stood at ₹ 51,385.38 Lakhs as against ₹ 55,062.01 Lakhs for fiscal 2021. Profit after Tax 'PAT' for fiscal 2022 stood at ₹ 3,867.36 Lakhs as against ₹ 1,046.67 Lakhs for fiscal 2021.

## Director's Report

Repeated waves of infection, supply-chain disruptions and, more recently, inflation have created particularly challenging times for your Company. Faced with these challenges, the Company's strong fundamentals and agile response to the external environment was a bouquet of safety-nets to cushion the impact on the overall performance of the Company. Despite loss of production for approximately 2.5 months due to capital repairs of the Mini Blast Furnace the Company outperformed its bottomline in the last fiscal and achieved its highest ever profits. Your Company's judicious use of the resources at its disposal, timely and low cost raw material procurement, buoyant finished goods prices, successfully running structured cost reduction plants and a visionary management contributed to this outstanding performance.

Please refer to the Management Discussion and Analysis section which forms a part of this Annual Report for details of the performance and operations review.

### 3. DIVIDEND

Keeping in view the working capital requirements of the Company, your Directors have ploughed back the profits and express their inability to declare any dividend for Equity shares of the Company for the fiscal 2022.

### 4. TRANSFER TO RESERVE

During the year under review, the Board has decided to retain the entire amount of profit for fiscal 2022 in the statement of profit and loss and no amount is proposed to be transferred to the general reserves.

### 5. SHARE CAPITAL

There was no issue of fresh Equity Shares during the year. No Bonus Shares were issued. The Company has not issued any Sweat Equity Shares and not provided any Employee Stock Option Scheme. The Company has not Bought Back any of its securities during the year under review.

Further your Company has redeemed 4,51,00,000, 7 % Redeemable Non Cumulative Preference Shares of ₹ 10/- each aggregating ₹ 45.10 crores during the year under review.

### 6. CHANGE IN NATURE OF BUSINESS

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

### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### 7.1. Retirement by Rotation

Pursuant to the provisions of the Companies Act, 2013, Mr. Mukesh Bengani (DIN: 08892916) Director (Finance) and Chief financial officer of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The information as required to be disclosed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Listing Regulations" in case of re-appointment of Directors is provided in the Notice of the ensuing Annual General Meeting.

#### 7.2. Appointment

Mrs. Ishita Bose, (DIN : 01088890) was appointed as an Additional Director designated as Non Executive and Independent Director of the Company w.e.f. August 6, 2021 for a period of 5 (five) years. The members have already approved the said appointment at the 34<sup>th</sup> Annual General Meeting of the Company held on September 24, 2021.

#### 7.3. Resignation

Mr. Rajarshi Ghosh, (DIN : 05270177), Director designated as Non-Executive Independent Director of the Company resigned from the directorship of the Company w.e.f. August 6, 2021. Your Board places on record its appreciation for valuable services rendered by him during his tenure as a Director of the Company.



## Director's Report

### 7.4. Declaration of Independent Directors

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 "Act" and Regulation 25 of Listing Regulations.

### 7.5. Key Managerial Personnel

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

- Mr. Radhey Shyam Jalan, (DIN : 00578800), Chairman and Managing Director;
- Mr. Mukesh Bengani, (DIN : 08892916), Director (Finance) and Chief Financial Officer;
- Mrs. Ruchika Fogla, (Membership No. : A23339), Company Secretary and Compliance Officer.

### 7.6. Meetings of the Board

As required under Section 134 of the Act the Board of Directors met 5 (five) times during the FY 2021-22, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Act and Listing Regulations.

### 7.7. Board Evaluation

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

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

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as 'Annexure -A'.

## 9. CORPORATE GOVERNANCE

Your Company believes in transparent and ethical corporate governance practices. The Company's approach to Corporate Governance cascades across its business operations and its stakeholders at large to create long term sustainable value.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on Corporate Governance and a Certificate regarding compliance of conditions of Corporate Governance from a Practicing Company Secretary forms part of this report as 'Annexure - B'. The declaration by the Managing Director stating that all the Board members and Senior Management Personnel have affirmed their compliance with the Company's Code of Conduct for the year ended March 31, 2022 is given in the Corporate Governance Report.

## 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, in compliance with Regulation 34(3) read with Schedule V of Listing Regulations, is annexed herewith as 'Annexure - C' and forms an integral part of this Report.

## Director's Report

### 11. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Act, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is hosted on the website of the Company i.e. [www.kicmetaliks.com](http://www.kicmetaliks.com).

### 12. AUDITORS AND AUDITORS' REPORT

#### 12.1. Statutory Auditors

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

The Statutory Auditor's Report for the FY 2021-22 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

As per Section 139(2) of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the same, M/s. B. N. Agrawal & Co., Chartered Accountants are eligible to be re-appointed as statutory auditors of the Company. Accordingly, it is proposed to re-appoint M/s. B. N. Agrawal & Co., Chartered Accountants, as the Statutory Auditors of the Company for the second term of one year to hold the office from the conclusion of the ensuing AGM of the Company till the conclusion of 36<sup>th</sup> AGM to be held in the year 2023.

#### 12.2. Cost Auditors

The Board of Directors had appointed M/s. Patangi & Co. (Firm Registration No. 101919, Membership No. 30818) as Cost Auditors of the Company for the FY 2022-23 in its meeting held on May 26, 2022. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting. Cost Audit Report for the FY 2020-21 was filed within due date.

#### 12.3. Secretarial Auditors

Pursuant to Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. B G Lahoti & Associates, Practising Company Secretaries (Membership No. 37056) as Secretarial Auditors of the Company. The Secretarial Audit Report in Form MR-3 is annexed herewith as '**Annexure – D**' and forms part of this Report. The Report does not contain any qualification, reservation or adverse remark.

#### 12.4. Internal Auditors

Your Company has appointed M/s. Agarwal Maheswari & Co., Chartered Accountants (Firm Registration No. 314030E), as Internal Auditors to carry out the Internal Audit of various operation areas of the Company. Their scope of work and the plan for audit is approved by the Audit Committee. The Report submitted by them is regularly reviewed and their findings are discussed with the process owners and suitable corrective action is taken on an ongoing basis to improve efficiency in operations.

### 13. REPORTING OF FRAUD

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

### 14. COMPLIANCE CERTIFICATE

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

## Director's Report

### 15. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of Listing Regulations, the Board of Directors had approved the Policy on Vigil Mechanism/Whistle Blower and the same has been hosted on the website of the Company at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/VIGIL-MECHANISM.pdf>.

### 16. NOMINATION AND REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Personnel. The policy is approved by the Nomination and Remuneration Committee and the Board of Directors had approved the policy and the same has been hosted on the website of the Company at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/NOMINATION-AND-REMUNERATION-POLICY.pdf>.

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

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

### 18. AUDIT COMMITTEE

Your Company has an Audit Committee in terms of Section 177 of the Act and Regulation 18 of the Listing Regulations. Further details of Audit Committee are given in the Corporate Governance Report annexed as a part of the Directors' Report.

### 19. FINANCE

#### 19.1. Public Deposits

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

#### 19.2. Particulars of loans, guarantees or investments under Section 186 of the Act

During the year under the review your Company has not given any loan or guarantee covered under Section 186 of the Act.

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

There were no materially significant related party transactions entered by the Company which may have a potential conflict with the interest of Company. All related party transaction(s) are first placed before Audit Committee for approval and thereafter such transactions are also placed before the Board for seeking their approval. The details of Related Party Transactions, as required pursuant to respective Indian Accounting Standards, have been stated in **Note No. 36** to the Audited Financial Statements of Company forming part of this Annual Report.

The Policy on Materiality of Related Party Transactions and dealing with related party transactions, as approved by the Board of Directors may be accessed on the Company's website at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/RELATED-PARTY-TRANSACTION-POLICY.pdf>

#### 19.4. Internal Financial Control

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

## Director's Report

### 19.5. Insurance

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

### 20. RISK MANAGEMENT

Risk management is an integral part of the strategic management of your Company. The process involves periodic identification of risk likely to affect the business from operating smoothly and adoption of appropriate measures to address the concerns. In this regard, your Company has identified inherent risks in its operations and record residual risk after taking specific risk mitigation steps. The Policy on Risk Management, as approved by the Board of Directors may be accessed on the Company's website at the web link <http://kicmetaliks.com/wp-content/uploads/2016/01/RISK-MANAGEMENT-POLICY.pdf>.

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

### 21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted CSR Committee in compliance with the provisions of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy of the Company has been prepared pursuant to Section 135 of the Act and the CSR Rules. The CSR policy serves as the referral document for all CSR related activities at the Company. CSR Policy relates to the activities to be undertaken by the Company as specified in schedule VII and other amendments/circulars thereon to the Act.

Salient features of the CSR Policy and details of activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in '**Annexure – F**' forming part of this Report. The Company's CSR Policy may be accessed at the link: <http://kicmetaliks.com/wp-content/uploads/2019/04/CSR-Policy-1.pdf>.

### 22. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform the shareholders that the Audited Accounts containing the financial statements for the year 2021-22 are in conformity with the requirements of the provisions of Section 134(3)(c) read with Section 134(5) and all other applicable provisions of the Companies Act, 2013 and they believe that, the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

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

- a) in the preparation of the Annual Accounts for the FY ended March 31, 2022, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the FY 2021-22 and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Director's Report

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

As on March 31, 2022 your Company has no subsidiary as KIC Minerals Private Limited ceased to be a wholly Owned subsidiary of K I C Metaliks Limited w.e.f March 1, 2022.

The Consolidated Financial Statements of the Company and its subsidiary (from April 1, 2021 to March 1, 2022), prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 'Ind AS', form part of the Annual Report. The Statement containing salient features of the financial statement of subsidiary of the Company pursuant to first proviso to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014 is provided as 'Annexure – G' to this Report.

### 24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company had no employee during the FY ended March 31, 2022, who was drawing remuneration in excess of limits set out under Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no disclosure is required for the same.

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

i) **The ratio of remuneration of each Director/KMP to the median remuneration of the employees of the Company for the FY 2021-22 :**

Sl. No.	Name of Directors/KMP's and Designation	Remuneration for FY 2021-22 (₹ in Lakhs)	% increase in remuneration in the FY 2021-22	Ratio of remuneration of each Director/KMP to median remuneration of employees
1.	<b>Mr. Radhey Shyam Jalan</b> DIN: 00578800 (Chairman and Managing Director)	96.00	-	57.73 x
2.	<b>Mr. Mukesh Bengani</b> DIN : 08892916 (Director(Finance) and Chief Financial Officer)	13.52	24.20 %	8.13 x
3.	<b>Mr. Kanhaiyalal Didwania</b> DIN : 07746160 (Non - Executive, Non Independent Director)	-	-	-
4.	<b>Mr. Laxmi Naryan Sharma</b> DIN : 00356855 (Non - Executive, Independent Director)	-	-	-
5.	<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non - Executive, Independent Director)	-	-	-
6.	<b>Mr. Ishita Bose <sup>a</sup></b> DIN : 00058501 (Non - Executive, Independent Director)	-	-	-
7.	<b>Mr. Rajarshi Ghosh <sup>b</sup></b> DIN : 05270177 (Non - Executive, Independent Director)	-	-	-
8.	<b>Mrs. Ruchika Fogla</b> (Company Secretary)	2.94	1.46 %	1.77 x

**Notes :**

<sup>a</sup>. Mrs. Ishita Bose was appointed as an Independent Director of the Company w.e.f. August 6, 2021.

<sup>b</sup>. Mr. Rajarshi Ghosh ceased to be a Director of the Company w.e.f. August 6, 2021.

## Director's Report

- ii) The median remuneration of employees of the Company during the FY 2021-22 was ₹ 1.66 Lakhs.
  - iii) In the financial year 2021-22, there was a decrease of 0.54 % in the median remuneration of employees.
  - iv) There were 326 permanent employees on the rolls of Company as on March 31, 2022.
  - v) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the FY under review i.e. 2021-22 was 2.76 % whereas the increase in the managerial remuneration for the same period was 2.44 %.
  - vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP's and other Employees.
- B.** Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as '**Annexure – H**' to this Report.

### 25. MATERIAL ORDERS

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

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

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

### 27. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year under the review no applications were made by the Company and neither any proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016.

### 28. OTHER DISCLOSURES

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

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

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

## Director's Report

### 29. ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation for the continued support which the Company has received from its customers, suppliers, shareholders, promoters, bankers and above all, its employees.

#### ANNEXURES TO THIS REPORT

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

Annexure	Particulars
A	Conservation of Energy, Technology Absorption And Foreign Exchange Earnings and Outgo.
B	Corporate Governance Report.
C	Management and Discussion and Analysis Report.
D	Secretarial Audit Report in Form MR - 3.
E	CEO/CFO Certification.
F	CSR Report.
G	Statement containing salient features of the financial statements of Subsidiary Company in Form AOC-1.
H	Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**

Chairman and Managing Director  
(DIN : 00578800)

Place : Kolkata  
Dated : May 26, 2022





## Annexure - A to the Director's Report

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 and as part of the Directors' Report for the financial year ended March 31, 2022.

### A. CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy :
- Capacitor bank installed for high tension circuit in Sinter 2.
  - Energy efficient pump introduced in place of old pumps.
  - Replacement of conventional Lights with LED light fittings.
- (ii) The steps taken by the Company for utilizing alternate sources of energy : Nil
- (iii) The capital investment on energy conservation equipments : Rs. 87.78 Lakhs

### B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption : Nil
- (ii) The benefits derived like product improvement, cost reduction, production development or import substitution : Nil
- (iii) In case of imported technology :
- a. The details of technology imported : Stave coolers to replace existing ones; Carbon refractory in the furnace to replace worn out old refractory.
- b. The year of import : 2021-22
- c. Whether the technology been fully absorbed : Yes
- d. If, not fully absorbed, areas where absorption has taken place, not and the reasons thereof; and : Nil
- (iv) The expenditure incurred on Research and Development : NA

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Sl. No.	Particulars	2021-22	2020-21
a.	Foreign Exchange earned in terms of Actual Inflows	4,312.17	Nil
b.	Foreign Exchange used in terms of Actual Outflows	4,344.01	4,452.82

For and on behalf of the Board of Directors

Place : Kolkata  
Dated : May 26, 2022

**Radhey Shyam Jalan**  
Chairman and Managing Director  
(DIN : 00578800)

# Corporate Governance report

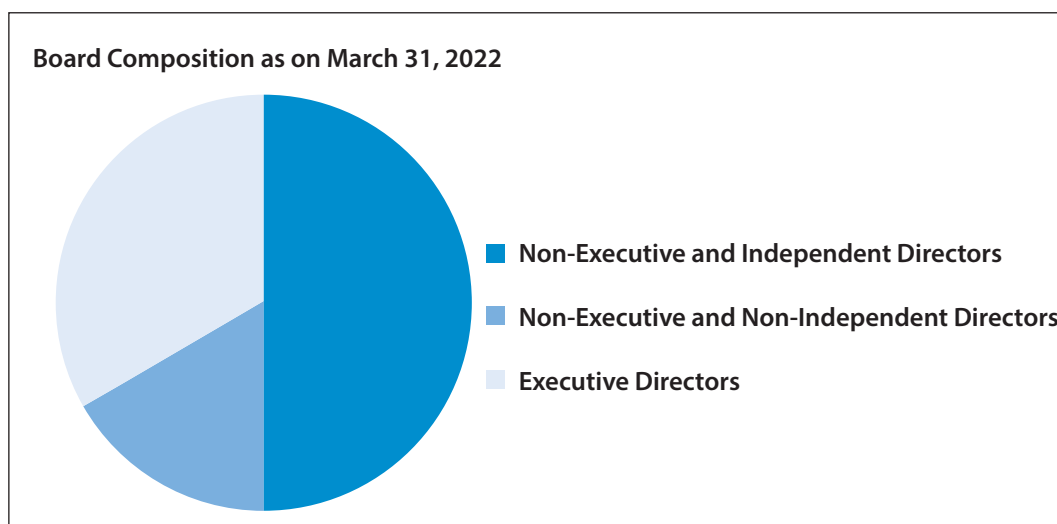
The Directors present the Company's Report on Corporate Governance for the financial year 2021-22. This report elucidates the systems and processes followed by the Company to ensure compliance of Corporate Governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" and the Companies Act, 2013 "Act".

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

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

## 2. BOARD OF DIRECTORS

### Composition



## Annexure - B to the Director's Report

None of the Directors on the Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees across all the Companies in which he/she is a Director pursuant to Regulation 26 of Listing Regulations. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than 7 (seven) listed Companies. Necessary disclosures regarding Committee positions have been made by all the Directors.

The composition of the Board is in conformity with Regulation 17 of Listing Regulations. The Board met 5 (Five) times during the financial year 2021-22 i.e. on June 25, 2021; August 6, 2021; November 9, 2021; January 17, 2022 and March 1, 2022 and the time gap between any two meetings did not exceed 120 days.

**The composition of the Board and the attendance of Directors at the Board Meetings held during the last fiscal and at the last Annual General Meeting and the number of other directorship and Board Committees' membership/ chairmanship held in other Public Companies are as follows :**

Name and Category of the Directors	Attendance at Board Meetings	Attendance at the last Annual General Meeting	No. of other Directorship held <sup>a</sup>		No. of other Committee membership held <sup>b</sup>	
			As Director	As Chairman	As Member	As Chairman
<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Executive, Chairman and Managing Director)	5	Yes	Nil	Nil	Nil	Nil
<b>Mr. Mukesh Bengani</b> DIN : 08892916 (Executive, Director (Finance) and Chief Financial Officer)	5	Yes	Nil	Nil	Nil	Nil
<b>Mr. Kanhaiyalal Didwania</b> DIN : 07746160 (Non-Executive, Non-Independent Director)	5	Yes	Nil	Nil	Nil	Nil
<b>Mr. Laxmi Naryan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	4	Yes	4 <sup>g</sup>	Nil	Nil	Nil
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	5	Yes	Nil	Nil	Nil	Nil
<b>Mrs. Ishita Bose <sup>c</sup></b> DIN : 01088890 (Non-Executive, Independent Director)	4	Yes	Nil	Nil	Nil	Nil
<b>Mr. Rajarshi Ghosh <sup>d</sup></b> DIN : 05270177 (Non-Executive, Independent Director)	1	NA	Nil	Nil	Nil	Nil

### Notes:

- Excludes Directorship/Committee membership in Private Limited Companies, Companies under Section 8 of the Act read with Rule 19 of the Companies (Incorporation) Rules, 2014 and Foreign Companies and Associations.
- Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

## Annexure - B to the Director's Report

- c. Mrs. Ishita Bose was appointed as an Independent Director of the Company w.e.f. August 6, 2021.
- d. Mr. Rajarshi Ghosh ceased to a Director of the Company w.e.f. August 6, 2021.
- e. None of the Directors have any inter-se relation among themselves and with any of the employees of the Company.
- f. None of the Non-Executive Directors holds any shares in the Company, except Mr. Kanhaiyalal Didwania.
- g. The directorship held by Mr. Laxmi Naryan Sharma in listed entities is as below :

<b>Name of the Listed Entities</b>	<b>Category</b>
Global Capital Markets Limited	Independent Director
GCM securities Limited	Independent Director
GCM Capital Advisors Limited	Independent Director
GCM Commodity & Derivatives Limited	Independent Director

### Schedule for Board Meeting

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

### Independent Directors

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from all Independent Directors at the first meeting of the Board, the Board has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

During the year under review, a separate meeting of the Independent Directors of the Company was held on July 24, 2021, without the presence of Non-Independent Directors and members of management. All the Independent Directors were present in that meeting.

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

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

### Familiarisation Programme for Directors (including Independent Directors)

As a practice, newly appointed Directors (Including Independent Directors) inducted to the Board are given a formal orientation. The Directors are usually encouraged to visit the plant of the Company and interact with member of senior management as a part of the induction programme. The senior management makes the presentation giving overview of the Company's manufacturing product, marketing, finance, and other important aspects. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

## Annexure - B to the Director's Report

The Directors are updated from time to time, on the Company's procedures and policies as per the familiarization program devised in that behalf by the Company, copy of the same is available on company's website at <http://kicmetaliks.com/wp-content/uploads/2016/01/FAMILARISATION-PROGRAMME.pdf>.

### Skills, Expertise and Competencies of the Board

The Board comprises with highly qualified members possessing required skills, expertise and competence in making effective contributions towards the growth of the Company. Leadership, operational experience, strategic planning, industry experience, research and development, innovation, consumer insights, marketing, supply chain management and branding are the key core skill/expertise/competence, in the context of the Company's business apart from governance, finance, taxation and regulatory affairs functions. In the opinion of the Board, these skills are available with the Board and the following chart/matrix depicts the aforesaid skills/expertise/ competence possessed by the board.

SI No.	Directors Name	Skills / expertise / competence
1.	Mr. Radhey Shyam Jalan	Business strategy and operations, industry experience, risk management, Leadership, project management, risk management, financial and supply chain management and governance, Accounting, Taxation and Capital markets.
2.	Mr. Mukesh Bengani	Financial management and accounting, Business Strategy, Management Information System, Taxation, Costing, governance and regulatory affairs.
3.	Mr. Laxmi Naryan Sharma	Financial management and Accounting, Taxation and Capital markets.
4.	Mr. Kanhaiyalal Didwania	Marketing, sales and consumer insights, operations, supply chain management and distribution.
5.	Mrs. Ishita Bose <sup>a</sup>	Governance and regulatory requirements.
6.	Mrs. Manjula Poddar	Governance and regulatory requirements, Financial management and Accounting, Taxation and Capital markets.
7.	Mr. Rajarshi Ghosh <sup>b</sup>	Governance and regulatory requirements, Financial management and Accounting, Taxation and Capital markets.

#### Notes :

a. Mrs. Ishita Bose was appointed as an Independent Director of the Company w.e.f. August 6, 2021.

b. Mr. Rajarshi Ghosh ceased to be Director of the Company w.e.f. August 6, 2021.

### 3. AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and maintain the integrity and quality of the financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the management, the Statutory, the Internal Auditors, the Cost Auditor and the Board. The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of Listing Regulations.

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

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual/ half-yearly/quarterly financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgements made.

## Annexure - B to the Director's Report

- Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Review the related party transactions and the functioning of the Whistleblower Mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements, including the Code of Conduct of the Company.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the Listing Regulations are covered in the terms of reference of the Audit Committee.

Further, pursuant to Regulation 18(2)(c) of the Listing Regulations, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Further the Audit Committee also reviews the processes of Conduct and Insider Trading Code, Whistle-Blower Policies and related cases thereto. The Committee also reviews matters under the Prevention of Sexual Harassment at Workplace Policy.

During the financial year 2021-22, the Committee met 5 (Five) times on June 25, 2021; August 6, 2021; November 9, 2021; January 17, 2022 and March 1, 2022 and the time gap between any two meetings did not exceed 120 days.

**The composition of the Audit Committee and attendance at the meetings of the Committee during financial year 2021-22 is as under :**

Name and Category of the Directors	Position held	No. of Meetings held during tenure	No. of Meetings Attended
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	Chairman	5	5
<b>Mr. Laxmi Naryan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	Member	5	4
<b>Mr. Mukesh Bengani</b> DIN : 08892916 (Executive, Independent Director)	Member	5	5
<b>Mr. Ishita Bose <sup>a</sup></b> DIN : 01088890 (Non-Executive, Independent Director)	Member	3	3
<b>Mr. Rajarshi Ghosh <sup>b</sup></b> DIN : 05270177 (Non-Executive, Independent Director)	Member	2	1

**Notes:**

<sup>a</sup> Mrs. Ishita Bose, was appointed as a member of the Committee w.e.f August 6, 2021.

<sup>b</sup> Mr. Rajarshi Ghosh ceased to be a member of the Committee w.e.f August 6, 2021.

## Annexure - B to the Director's Report

The Chief Financial Officer and other Senior Functional Executives of the Company are invited as and when required to provide necessary inputs to the Committee. The Internal Auditors and Statutory Auditors or their representatives are also invited to each meeting of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

### 4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to provisions of Section 178 of the Act and Regulation 19 of Listing Regulations and amendments there upon, the Board has constituted the Nomination and Remuneration Committee "NRC" to oversee the Company's nomination process for the senior management and to decide the salary, perquisites and commission/performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Group Policy, merit and Company's performance. All the members are Non-Executive, Independent Directors.

The terms of reference of the NRC are in conformity with the provisions of Section 178 of the Act and Part D of Schedule II and Regulation 19 of Listing Regulations. The brief terms of reference of the Committee, interalia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Director, Key Managerial Personnel and other employees.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on diversity of Board.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

## Annexure - B to the Director's Report

During the financial year 2021-22, the Committee met 1 (One) time on August 6, 2021.

**The composition of the NRC and attendance at the meetings of the Committee during financial year 2021-22 is as under :**

Name and Category of the Director	Position held	No. of Meetings held during tenure	No. of Meetings Attended
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	Chairman	1	1
<b>Mr. Laxmi Naryan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	Member	1	1
<b>Mr. Kanhaiyalal Didwania</b> DIN : 07746160 (Non-Executive, Non-Independent Director)	Member	1	1
<b>Mr. Ishita Bose <sup>a</sup></b> DIN : 01088890 (Non-Executive, Independent Director)	Member	1	0
<b>Mr. Rajarshi Ghosh <sup>b</sup></b> DIN : 05270177 (Non-Executive, Independent Director)	Member	1	0

**Notes:**

<sup>a</sup> Mrs. Ishita Bose, was appointed as a member of the Committee w.e.f August 6, 2021.

<sup>b</sup> Mr. Rajarshi Ghosh ceased to be a member of the Committee w.e.f August 6, 2021.

**The details of remuneration paid to the Executive and Non- Executive Directors during the financial year 2021-22, are as follows :**

Name and Category of the Director	Salary including Benefits/ Allowances, etc. (₹)	Sitting Fees (₹)	Commission (₹)	No. of shares held
<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Executive, Chairman and Managing Director)	96.00 Lakhs	Nil	Nil	5,13,475
<b>Mr. Mukesh Bengani</b> DIN : 08892916 [Executive, Director (Finance) and CFO]	13.52 Lakhs	Nil	Nil	Nil
<b>Mr. Laxmi Naryan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	Nil	0.58 Lakhs	Nil	Nil
<b>Mr. Ishita Bose</b> DIN : 01088890 (Non-Executive, Independent Director)	Nil	0.48 Lakhs	Nil	Nil
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	Nil	0.70 Lakhs	Nil	Nil



**Annexure - B** to the Director's Report

Name and Category of the Director	Salary including Benefits/ Allowances, etc. (₹)	Sitting Fees (₹)	Commission (₹)	No. of shares held
<b>Mr. Rajarshi Ghosh</b> DIN : 05270177 (Non-Executive, Independent Director)	Nil	0.14 Lakhs	Nil	Nil
<b>Mr. Kanhaiyalal Didwania <sup>a</sup></b> DIN : 07746160 (Non-Executive, Non-Independent Director)	Nil	Nil	Nil	25,000
<b>Total</b>	<b>109.52 Lakhs</b>	<b>1.90 Lakhs</b>		<b>5,38,475</b>

**Notes:**

<sup>a</sup> Mr. Kanhaiyalal Didwania, Non-Executive Non-Independent Director(s) of the Company do not accept sitting fees and/ or Commission on the Net Profits of the Company.

The period of contract of Mr. Radhey Shyam Jalan, is from November 4, 2019 to November 3, 2022 and Mr. Mukesh Bengani, from August 25, 2020 to August 24, 2025.

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

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee "SRC" consider and resolves the grievance of all the security holders of the Company including complaints related to transfer and transmission of shares, non-receipt of Annual Report, non-receipt of declared dividend/duplicate share certificate, etc. and such other grievances as may be raised by the security holders from time to time.

The terms of reference of the SRC are in conformity with the provisions of Section 178 of the Act and Part D of Schedule II and Regulation 20 of Listing Regulations. The brief terms of reference of the Committee, inter alia, include the following :

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

## Annexure - B to the Director's Report

During the financial year 2021-22, the committee met 4 (four) times on June 25, 2021; August 6, 2020; November 9, 2021 and January 17, 2022.

**The composition of the SRC and the attendance at the meetings of the Committee during the financial year 2021-22 is as under :**

Name and Category of the Director	Position held	No. of Meetings held during tenure	No. of Meetings Attended
<b>Mr. Laxmi Narayan Sharma</b> DIN : 00356855 (Non-Executive, Independent Director)	Chairman	4	4
<b>Mr. Ishita Bose <sup>a</sup></b> DIN : 01088890 (Non-Executive, Independent Director)	Member	4	4
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	Member	4	3
<b>Mr. Rajarshi Ghosh <sup>b</sup></b> DIN : 05270177 (Non-Executive, Independent Director)	Member	2	2

**Notes:**

<sup>a</sup> Mrs. Ishita Bose, was appointed as a member of the Committee w.e.f August 6, 2021.

<sup>b</sup> Mr. Rajarshi Ghosh ceased to be a member of the Committee w.e.f August 6, 2021.

**In terms of Regulation 6 and Schedule V of the Listing Regulations, the Board has appointed Mrs. Ruchika Fogla, Company Secretary and Compliance Officer as the Compliance Officer of the Company, details of whom are given below :**

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

Mrs. Ruchika Fogla, Company Secretary and Compliance Officer

Membership No. A23339

K I C Metaliks Limited "Sir RNM House" 3B, Lal Bazar Street, 4<sup>th</sup> Floor, Room No. 2, Kolkata – 700 001

Phone : +91-33-4007-6552

Fax : +91-33-4001-9636

E-mail : companysecretary@kicmetaliks.com

**The details of investor complaints received and resolved during the financial year ended March 31, 2022 are given below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances :**

Number of complaints pending as on April 1, 2021	Nil
Number of complaints received during April 1, 2021 to March 31, 2022	4
Number of complaints disposed off during the year ended on March 31, 2022	4
Number of complaints pending as on March 31, 2022	Nil

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The purpose of the Corporate Social Responsibility "CSR" Committee is to formulate and recommend to the Board, a CSR Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on CSR activities and to monitor from time to time the CSR activities and policy of the Company. It also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with

## Annexure - B to the Director's Report

long-term preservation and enhancement of financial, manufacturing, natural, social, intellectual and human capital.

The CSR policy is available at: <https://kicmetaliks.com/wp-content/uploads/2021/10/corporate-social-responsibility-policy.pdf>

During the financial year 2021-22, the committee met 1 (One) time on June 26, 2021.

**The composition of the CSR Committee and the attendance at the meetings of the Committee during the financial year 2021-22 is as under :**

Name and Category of the Director	Position held	No. of Meetings held during tenure	No. of Meetings Attended
<b>Mr. Laxmi Narayan Sharma <sup>a</sup></b> DIN : 00356855 (Non-Executive, Independent Director)	Chairman	1	1
<b>Mrs. Manjula Poddar <sup>b</sup></b> DIN : 08158445 (Non-Executive, Independent Director)	Member	1	1
<b>Mr. Ishita Bose <sup>c</sup></b> DIN : 01088890 (Non-Executive, Independent Director)	Member	0	0
<b>Mr. Mukesh Bengani</b> DIN : 08892916 [Executive, Director (Finance) and CFO]	Member	1	1
<b>Mr. Radhey Shyam Jalan <sup>d</sup></b> DIN : 00578800 (Executive, Chairman and Managing Director)	Member	0	0
<b>Mr. Rajarshi Ghosh <sup>e</sup></b> DIN : 05270177 (Non-Executive, Independent Director)	Member	1	1
<b>Mr. Kanhaiyalal Didwania <sup>f</sup></b> DIN : 07746160 (Non-Executive, Non-Independent Director)	Member	1	1

### Notes :

- Mr. Laxmi Naryan Sharma ceased to be a chairperson of the Committee w.e.f March 1, 2022
- Mrs. Manjula Poddar was designated as the new Chairperson of the Committee w.e.f March 1, 2022
- Mrs. Ishita Bose was appointed as a member of the Committee w.e.f August 6, 2021
- Mr. Radhey Shyam Jalan appointed as a new member of the Committee w.e.f March 1, 2022
- Mr. Rajarshi Ghosh ceased to be a member of the Committee w.e.f August 6, 2021
- Mr. Kanhaiyalal Didwania ceased to be a member of the Committee w.e.f August 6, 2021

## 7. FINANCE COMMITTEE

The Committee was constituted on March 1, 2022. The purpose of the finance committee is :

- To approve availing of credit / financial facilities of any description from Banks/ financial Institutions/ Bodies Corporate within the limits approved by the Board;
- To oversee investments and dealings with any monies of the Company upon such security or without security in such manner as the committee may deem fit, and from time to time to vary or realise such investments within the framework of the guidelines laid down by the Board;

## Annexure - B to the Director's Report

- To make loans to Individuals /Bodies Corporate and/or to place deposits with other Companies/ firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board;
- To open Current Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts;
- To authorise employees to execute / sign returns, submissions, documents etc. on behalf of the Company and to appear before various statutory authorities or
- Such other matters as may be delegated by the Board from time to time.

The composition of the Finance Committee during the financial year 2021-22 is as under :

Name and Category of the Director	Position held
<b>Mr. Radhey Shyam Jalan</b> DIN : 00578800 (Executive, Chairman and Managing Director)	Chairman
<b>Mr. Mukesh Bengani</b> DIN : 08892916 [Executive, Director (Finance) and CFO]	Member
<b>Mrs. Manjula Poddar</b> DIN : 08158445 (Non-Executive, Independent Director)	Member

## 8. OTHER DISCLOSURES

- a) Prior approval of the Audit Committee is obtained for all Related Party Transactions of the Company. During the financial year ended March 31, 2022, the Company did not have any 'material' related party transaction that may have potential conflict with the interests of the Company at large.

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

The Disclosure on Related Party Transactions forms integral part of the Notes to Financial Statements of the Company for the financial year ended March 31, 2022 (**Note No. 36**) as included in this Annual Report.

- b) The Company has duly complied with the requirements of the regulatory authorities on Capital Markets. No penalties, strictures have been imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter related to the capital markets in last three years.
- c) Details regarding the establishment of Vigil Mechanism/Whistle Blower Policy have been disclosed in **Point No. 15** of the Directors' Report.
- d) The Policy for determining the material subsidiaries has been uploaded on the website of the Company at <http://kicmetaliks.com/wp-content/uploads/2020/09/materail-subsidiary.pdf>
- e) Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors of the Company was ₹ 8.11 Lakhs. The firm of Statutory Auditors of the Company does not have any network firm/network entity of which the Statutory Auditors are a part as per confirmation obtained from it.
- f) Disclosure in relation to Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act 2013 have been disclosed in **Point No. 17** of the Directors' Report.
- g) The Company has complied with all mandatory requirements of the Listing Regulations, relating to Corporate Governance from Regulations 17 to 27 and has also complied with Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under :

## Annexure - B to the Director's Report

- There are no modified opinions in the Audit Report given by M/s. B. N. Agrawal & Co., Statutory Auditors of the Company.
- In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

### 9. GENERAL BODY MEETINGS

**Details regarding venue, date, time and Special Resolutions passed in last 3 (three) Annual General Meetings of the Company are as follows :**

AGM Particulars	Date and time	Venue	Business requiring Special Resolution
34 <sup>th</sup> Annual General Meeting of the financial year 2020-21	September 24, 2021 at 10:30 a.m.	Video Conferencing / Other Audio Visual Means	<b>One Special resolution was proposed and approved :</b> Appointment of Mrs. Ishita Bose as an Independent Director of the Company.
33 <sup>rd</sup> Annual General Meeting of the financial year 2019-20	September 29, 2020 at 10:30 a.m.	Video Conferencing / Other Audio Visual Means	Nil
32 <sup>nd</sup> Annual General Meeting of the financial year 2018-19	September 24, 2019 at 10:00 a.m.	"Kala Kunj" 48, Shakesperare Sarani, Kolkata 700 017 West Bengal, India	<b>One Special resolution was proposed and approved :</b> Re-appointment of Mr. Radhey Shyam Jalan as Chairman and Managing Director and payment of overall remuneration to him.

**Details regarding resolutions passed through Postal Ballot during financial year 2021-22 :**

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of a special resolutions through Postal Ballot.

**Extraordinary General Meeting :**

No Extraordinary General Meeting of the Members was held during the financial year 2021-22.

### 10. MEANS OF COMMUNICATION

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

### 11. ANNUAL GENERAL MEMBERS INFORMATION FOR FINANCIAL YEAR 2021-22 :

<b>Day and Date</b>	Friday, September 23, 2022
<b>Time</b>	10:30 AM
<b>Venue</b>	Video Conferencing / Other Audio Visual Means "VC/OAVM"
<b>Book Closure period</b>	From September 17, 2022 to September 23, 2022 (both days inclusive)
<b>Dividend Payment Date</b>	The Directors have not recommended any dividend for the financial year 2021-22

## Annexure - B to the Director's Report

### 12. GENERAL INFORMATION FOR MEMBERS :

#### Name and Addresses of Stock Exchanges and Stock Code :

Stock Exchange	ISIN	Stock Code and ID
<b>Bombay Stock Exchange Limited 'BSE'</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE434C01027	513693 and KAJARIR

#### Listing and Custodian Fees for the financial year 2021-22 :

The Company has paid the Listing Fees for the financial year 2021-22 to BSE Limited within the due date. The Company has also paid custodian fees for the financial year 2021-22 to National Securities Depository Limited and Central Depository Services (India) Limited within the due date.

#### Tentative Financial Calendar for the financial year 2021-22 :

1 <sup>st</sup> quarter result	May 2022
2 <sup>nd</sup> quarter and half year result	August 2022
3 <sup>rd</sup> quarter result	November 2022
4 <sup>th</sup> quarter and annual result	February 2023

#### Market Price Data high/low (based on the closing prices) and number of shares of the Company traded during each month in the financial year 2021-22 on BSE Limited

Month	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of shares	BSE Sensex Close
April, 2021	40.20	25.50	40.20	9,78,771	48,782.36
May, 2021	52.10	35.85	37.55	6,27,753	51,937.44
June, 2021	61.30	36.10	56.90	21,35,503	52,482.71
July, 2021	67.50	52.30	63.80	32,28,695	52,586.84
August, 2021	68.55	53.85	59.20	16,55,556	57,552.39
September, 2021	61.60	49.85	53.10	3,15,600	59,126.36
October, 2021	57.00	49.00	50.70	3,23,972	59,306.93
November, 2021	55.35	44.65	47.55	9,77,940	57,064.87
December, 2021	53.45	44.80	51.30	3,65,476	58,253.82
January, 2022	67.90	50.50	64.40	19,84,911	58,014.17
February, 2022	62.95	45.50	53.00	5,10,590	56,247.28
March, 2022	59.50	50.50	53.35	12,92,287	58,568.51

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

Comparison of K I C Metaliks Limited Share price with broad based indices - BSE Sensex

Particulars	K I C Metaliks share price v/s BSE Sensex	
	K I C Metaliks Ltd. Share Price	BSE Sensex
On April 1, 2021 (open)	27.70	49,868.53
On March 31, 2022 (close)	53.35	58,568.51
<b>% change</b>	<b>(+) 92.60 %</b>	<b>(+) 17.45 %</b>

## Annexure - B to the Director's Report

### Registrar and Transfer Agent

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

#### S. K. Infosolutions Pvt. Ltd.

*D/42, Katju Nagar (Near South City Mall), Ground Floor, Katju Nagar Bazar, Jadavpur Kolkata -700032*

*Phone : +91-33-2412-0027*

*Tele fax : +91-33-2412-0029*

*E-mail : contact@skcinfo.com/skcdilip@gmail.com*

*Website : www.skcinfo.com*

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

### Share Transfer System

Effective April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialized form with a Depository.

The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. In order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests.

Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors. In view of the aforesaid, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.

### Distribution of Shareholding :

Range or Equity Shares	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 5000	4,185	76.12	7,33,231	2.07
5001 - 10000	605	11.00	5,24,744	1.48
10001 - 20000	307	5.58	4,95,268	1.40
20001 - 30000	122	2.22	3,13,888	0.88
30001 - 40000	63	1.15	2,31,152	0.65
40001 - 50000	52	0.95	2,46,187	0.69
50001 - 100000	86	1.56	6,28,779	1.77
100001 -500000	58	1.05	11,52,363	3.25
500001 -1000000	9	0.16	6,97,855	1.97
1000001 and Above	11	0.20	3,04,72,533	85.85
<b>Total</b>	<b>5,498</b>	<b>100.00</b>	<b>3,54,96,000</b>	<b>100.00</b>

## Annexure - B to the Director's Report

### Shareholding Pattern :

Category of Members	No. of Holders	% of Holders	No. of Shares Held	% of Shares held
Promoters Holding	2	0.09	2,29,69,577	64.71
Non-Promoters Holding				
- Financial Institutions	-	-	-	-
- Bodies Corporate	63	1.14	63,64,228	17.93
- NRI and Foreign Company	86	1.56	2,45,301	0.69
Indian Public	5,347	97.21	59,16,894	16.67
<b>Total</b>	<b>5,498</b>	<b>100.00</b>	<b>3,54,96,000</b>	<b>100.00</b>

### Dematerialisation of shares and liquidity as on March 31, 2022 :

Share held in	Equity Shares of ₹ 2/- each	
	Number of Shares	% of Shares
<b>A. Dematerialised Form</b>		
a) NSDL	3,02,79,619	85.30
b) CDSL	48,50,111	13.66
<b>Sub Total (A)</b>	<b>3,51,17,230</b>	<b>98.97</b>
<b>B. Physical Form</b>	<b>3,66,270</b>	<b>1.03</b>
<b>Total (A+B)</b>	<b>3,54,96,000</b>	<b>100.00</b>

The Equity Shares of the Company are compulsorily traded in dematerialised form and are available for trading on both the Depositories viz NSDL and CDSL. Hence the shares enjoy enough liquidity in the market. The Company's shares are regularly traded on BSE Limited.

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

The Company does not have any ADRs/GDRs/ Warrants or any convertible instruments.

### Plant Location –Pig Iron Plant :

Raturia, Angadpur, Durgapur – 713215 West Bengal, India

Phone: +91-98749 43345

### Address for Correspondence Registered Office :

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

Phone : +91-33-4007-6552

Fax : +91-33-4001-9636

Email : [info@kicmetaliks.com](mailto:info@kicmetaliks.com)

### Green Initiative for paperless Communication :

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first / sole holder quoting details of their Folio Number.



## Annexure - B to the Director's Report

### Credit Rating :

During the year under review, CARE Ratings a credit rating agency registered with SEBI had reaffirmed the credit rating of CARE BBB+ for long term Bank financial and CARE A3+ for short term Bank financial instruments of the Company.

### 13. CORPORATE ETHICS

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

#### Code of Conduct 'Code' for Board and Senior Management

Your Company has adopted a Code of Conduct i.e. the 'KICML-Code of Conduct' for the Board of the Directors, Key Managerial Personnel (KMP) and the Senior Management Personnel in terms of Regulation 17(5) of Listing Regulations. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

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

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

#### Reconciliation of Share Capital Audit

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

#### Code of Conduct for Prohibition of Insider Trading

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

The trading window closure are intimated in advance to all the concerned and during that period, the Board of Directors and designated persons are not permitted to trade in the securities of the Company.

**DECLARATION BY CHAIRMAN REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS**

To  
The Members of the Company  
**K I C Metaliks Limited**  
3B, Lal Bazar Street,  
4<sup>th</sup> Floor, Room No. 2,  
Kolkata – 700001

I hereby declare that all the Board Members and the Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. Pursuant to Regulation 26(3) of the Listing Regulations all Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

For **K I C Metaliks Limited**

**Radhey Shyam Jalan**

DIN : 00578800

*Chairman and Managing Director*

Place : Kolkata

Dated : May 26, 2022

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

[Pursuant to Regulation 34(3) read with Schedule V of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the compliance of conditions of corporate governance by K I C Metaliks Limited for the financial year ended March 31, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2021 to March 31, 2022.

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

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

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

For **B G Lahoti & Associates**

**Beni Gopal Lahoti**

*Practising Company Secretaries*

ACS No. : 37056

CP No. : 14749

Place : Howrah

Dated : May 14, 2022

UDIN : A037056D000321571

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of K I C Metaliks Limited having CIN L01409WB1986PLC041169 and having registered office at 3B, Lal Bazar Street, 4<sup>th</sup> Floor, Room No. 2, Kolkata - 700 001, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Mr. Laxmi Naryan Sharma	00356855	September 17, 2012
2.	Mr. Radhey Shyam Jalan	00578800	January 16, 2009
3.	Mr. Kanhaiyalal Didwania	07746160	August 25, 2020
4.	Mrs. Manjula Poddar	08158445	June 23, 2018
5.	Mr. Mukesh Bengani	08892916	August 25, 2020
6.	Mrs. Ishita Bose	01088890	August 6, 2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as 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 **B G Lahoti & Associates**

**Beni Gopal Lahoti**

*Practising Company Secretaries*

ACS No. : 37056

CP No. : 14749

Place : Howrah

Dated : May 9, 2022

UDIN : A037056D000289539



# Management Discussion and Analysis report

## Annexure - C to the Director's Report

### Overview

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the financial year 2021-22. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this Annual Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and the regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

#### Global economic overview

The world is living with the COVID-19 pandemic for well over two years now. Though tragic loss of lives and livelihood has been witnessed, the human race has also displayed its characteristic trait of adaptation and resilience. This is exhibited by none other than the extraordinary discovery of effective vaccines and exceptional policy support from governments; central banks and financial regulators that have buffered the challenges.

The global economy, though impacted by the second and subsequent waves of the virus in 2021, is projected to expand by 5.9% during the year (2021), sharply up from the estimated growth contraction of 4.3% in 2020. Increased vaccination pace and progressive withdrawal of lockdown measures has contributed to the return of consumer sentiment, which, together with release of pent-up demand lifted economic growth. Pick up in industrial activity and trade and commerce also contributed to the uptick in growth.

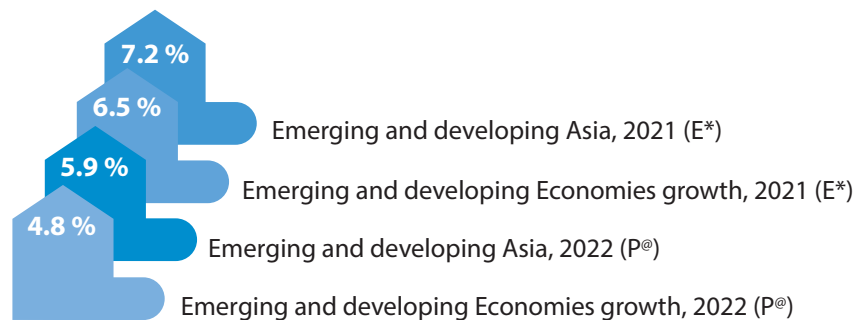
#### Global growth outlook

The tail end of 2021 witnessed the emergence of a new COVID-19 variant (Omicron), which pressed countries to reenact mobility restrictions. Further, the sense of fear resurfaced and consumer sentiment took a hit, with the result that the global economy entered 2022 in a weaker position. As such, global growth is expected to moderate to 3.6% in 2022, as per the IMF, largely reflecting forecast markdowns in the two largest economies of the US and China. Ongoing upheavals, such as the Russian invasion of Ukraine and the subsequent global sanctions on Russia, pandemic-induced disruptions in China related to its zero-tolerance COVID-19 policy, and re-emergence of the virus in pockets of the world have tilted growth expectations on the downside.

Furthermore, rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in many emerging market and developing economies. Elevated inflation is considered to be the single-biggest global risk factor and is expected to persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022. Further, rising inflation has also compelled most global central banks to withdraw their accommodative stance and raise policy rates aggressively. These factors are likely to postpone recovery and cause global economies to remain in a state of flux in 2022.

#### Key economic indicators

- GDP growth patterns



\* E=Estimated

@ P=Provisional

## Annexure - C to the Director's Report

### Indian economic overview

At the commencement of year 2021, a renewed sense of optimism for recovery from the difficulties of the previous year abounded, but soon humanity was confronted by the adverse period of the devastating second wave of the virus that, despite the best efforts in containment by the authorities, had a sharp impact on lives and livelihoods and indeed the broader economy. Yet, the sheer resilience of the economy was evident in economic growth picking up after the gradual unlocking phase (after the second Delta wave of the virus in April-May 2021).

At the time of drafting this report, the virus was considerably subdued, with the government encouraging precautionary or booster vaccination in addition to granting emergency use authorisation for paediatric vaccines. Thus, it is clear that the Indian economy is regaining strength and resilience. Consumer confidence and business optimism are on the rise, as the spread and scale of vaccination expands. The outlook is progressively improving, though there were headwinds from global developments. Challenges have also been brought on by sudden disruptions in supplies and logistics, high crude oil and other commodity prices and loss of employment. Though the fallout of the pandemic on financial markets and institutions has been contained, the return to normalcy remains hesitant and uneven across regions and sectors. Inflation remains a key concern, buffeted as it is by the build-up of cost-push pressures. Strong supply side measures to contain food and energy prices have, however, worked towards moderating these risks.

Given these circumstances, the Indian economy remains on track to regain its position as the world's fastest-growing major economy after official estimates by the National Statistical Office (NSO) in its first advance estimate placed GDP growth at 9.2 % in FY 2021-22. In the first quarter of FY22, India's output recorded a 20.1 % YoY growth, recovering > 90 % of the pre-pandemic output in the first quarter of FY20. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook for further revival of industrial activities.

### Global steel industry

Steel is essential for a modern sustainable society and is a fundamental resource for driving economic growth and development. With the coronavirus pandemic exerting a major negative shock, the global steel industry became all the more relevant to the economic restoration process. Demonstrating resilience and adapting strongly to the challenges of the pandemic, global crude steel production rose by 3.7 % during 2021, as per the World Steel Association ([www.worldsteel.org](http://www.worldsteel.org)).

Despite the sporadic COVID infection waves and the manufacturing sector's supply chain constraints, steel demand recovered strongly in 2021, especially in the advanced economies. In the developing economies, recovery from the pandemic faced more challenges with the continued impact of the pandemic and surging inflation, which prompted a monetary tightening cycle, in those nations.

China by far the largest steel-producing nation, constituted almost 54 % of the world steel production. However, Chinese steel production declined by 3 % YoY in 2021, attributed to ongoing challenges, including a zero-COVID tolerance policy that witnessed some parts of China being imposed with strict lockdowns, and a diminished real estate sector weakened by mounting debt and balance sheet-related pressures.

### Global steel outlook

As per the World Steel Association's Short Range Outlook for 2022 and 2023, steel demand will grow by 0.4 % in 2022 to reach 1,840.2 MT, after increasing by 2.7 % in 2021. The current forecast is made against the backdrop of the war in Ukraine and is subject to high uncertainty.

The magnitude of the impact of the Russian-Ukraine conflict is expected to vary across regions, depending on their direct trade and financial exposure to the two countries. There is an immediate devastating effect on Ukraine, consequences for Russia, and major impact on the EU bloc due to its reliance on Russian energy and its geographic proximity to the conflict area. The impact will also be felt globally via higher energy and commodity prices, especially raw materials for steel production, and continued supply chain disruptions. Furthermore, financial market volatility and heightened uncertainty is also likely to undermine investment.

The global spillovers from the war in Ukraine, along with low growth in China, point to reduced growth expectations for global steel demand in 2022. Further downside risks exist from the continued surge in virus infections in some parts of the world, especially China, rising interest rates, and expected tightening of monetary policy.

## Annexure - C to the Director's Report

### Indian steel and pig iron industry- outlook, structure and development

Steel is a critical resource for a developing nation like India, being a major component of a number of other allied core sector industries, such as infrastructure and construction, automobiles, housing, railways, transportation, defense, etc. Steel is also critical in the transition to a carbon-free economy, which is important for India's long-term future. Further, steel consumption is a key indicator of economic development. As a fast-developing country aiming to become a US\$ 5 trillion economy in a few years, India's economic growth is closely linked to the growth of its steel industry.

India's crude steel production rose by 17.8 % to 118.1 MT in 2021, up from 100.3 MT in 2020, positioning the country as not only the second-largest steel-producing country in the world, but also as one exhibiting amongst the fastest growth rate within the major global steel-making countries. Further, India is only second to China with steel-making crossing the 100 MT-mark. Despite being a difficult year and facing multiple headwinds from rising input costs, supply chain disruptions and increased duty on export of steel products india's 18 % growth in steel manufacturing is creditable, coming at a time the country witnessed the worst effects of the coronavirus pandemic. This not only demonstrates the adaptability and resilience of the industry, but also its focus on prioritising the government's agenda of national development.

The secondary steel sector in the iron and steel industry is composed of production units which are a diverse lot with widely varying product range, technology and scale of operation and include major product/industry segments such as pig iron produced by mini blast furnaces (MBFs).The units covered under the Secondary Sector produce either a product that serves a basic raw material to steel making such as pig iron or sponge iron or they use a semi finished or intermediate steel product to convert the same to another product of higher value. India is also amongst the largest pig iron producers in the world and your Company manufactures both steel grade and foundry grade pig iron.

As per the Joint Plant Committee (JPC) report and the Ministry of Steel, Government of India, production of pig iron in 2020-21 stood at 4.88 MT, vs. 5.42 MT in 2019-20, a decline of 10 % YOY due to Corona virus pandemic enforced shutdowns. The pig iron of the Company business also got adversely impacted in Q1 due to higher costs on account of significant increase in coal, coke and consumable prices and muted demand from user industries. The impact of COVID 19 was slowly waning out by end of Q2 FY 2022 as countries around the world have resurrected themselves, operating under the New Normal conditions. Pig iron demand started picking up and realisations improved on account of surge in pig iron prices. The cost of benefits also continued in Q3 of FY 2021-22 as pig iron prices remained on strong grounds and despite a shutdown of the mini blast furnace for approximately 2.5 months due to major repair work your Company clocked good revenues which turn added up to an impressive growth and bottomline.

#### Opportunities and Threats

India is among the fastest growing economies of the world on the path of emerging as a US\$ 5 trillion economy by FY 2027, from the current size of about US\$ 3 trillion. This development path will create immense opportunities for various industries and sectors, primary among which is steel that is a building block. Further, the government is also focusing on strengthening infrastructure through efforts in improving road network and via such national programs as the Dedicated Freight Corridor (DFC) that envisages a seamless cost-efficient multi-modal logistical network across the country, which will create a robust demand in the auto and castings industry. One of the other major areas of optimism is rapid urbanization and industrialization that will lead to demand for infrastructure, in turn driving demand for steel, which is a major input in infrastructure.

Recently, the government has waived customs duty on the import of some raw materials, including coking coal, used by the pig iron industry, a move which will lower the cost for the domestic industry and reduce the prices. Furthermore, low export market presence due to global pandemic induced shutdowns has created opportunity for scaling up exports. A shortage in the global pig iron market caused by the absence of Ukraine, as well as Russia's limited ability to sell, due to the Russia Ukraine war can only be covered to a certain extent by suppliers from other regions and thus boost domestic demand for Pig Iron. As the markets were opening up in the second quarter of FY 22 your Company managed to tap the export markets and the quarterly performance was lifted by the said exports. Your Company is optimistic about the export markets in future too.

## Annexure - C to the Director's Report

Government has launched 'Mission Purvodaya' to accelerate the development of the eastern states of India through the establishment of an integrated steel hub in Kolkata. It is estimated that eastern India has the potential to add > 75 % of the country's incremental steel capacity. It is expected that of the 300 MT capacity envisaged by FY 2030-31, > 200 MT can come from this region alone. All these will result in an increased demand for Pig Iron which can become a great opportunity for your Company.

Steel is a dynamic industry that has also festered threats, both related to the external environment as well as internally. On the external front, major commodity inflation represents a key threat as it has weakened the ability of steel companies to pass cost increases to already pressured customers. This has diminished their margin profile to some extent. Furthermore, lingering effects of the COVID-19 pandemic, Russian invasion of Ukraine and economic sanctions enforced on the country, runaway energy prices, and rate tightening through withdrawal of stimulus measures announced during the onset of the pandemic has created global recessionary trends and an environment of stagflation. The other threat is dislocation of supply chains due to COVID and the war, which will take time to mend. Despite the looming threats your Company looks for cross over areas and tries to seize an opportunity with its strength while simultaneously reducing its weaknesses and threats.

**K I C Metaliks has built a number of strengths, including integrated operations, trusted market standing and goodwill, diversified customer base, robust operational efficiencies, and a large and committed workforce unified by a cohesive and empowered culture which has helped your Company in overcoming the inherent threats and be more resilient in challenging times.**

### Operational and financial review

K I C Metaliks has only one reportable business segment, "Iron and Steel and Allied Products". Accordingly, separate segment information as per IND AS 108 is not applicable.

During the year under review, the Company reported a strong performance and zoomed to its highest ever net profits.

Recently commissioned modernization projects and strong cost control efforts led to a 28.8 % moderation in cost of materials consumed to Rs. 31,630.55 Lakhs in 2021-22, which had a strong bearing on the total expenses that declined by 11.40 % to Rs. 48,064.83 Lakhs from Rs. 54,251.23 Lakhs in 2020-21. Thus, a strong showing on the cost front enabled a 292.73 % increase in profit before tax to Rs. 5,762.32 lakhs from Rs. 1,467.23 Lakhs in 2020-21. In continuation, the Company's net profit after tax surged 269.24% to Rs. 3,864.80 Lakhs Rs. 1,046.68 Lakhs in 2020-21.

Your company has a wholly-owned subsidiary company in the name of KIC Minerals Private Limited. Consolidated revenue from operations for 2021-22 stood at Rs. 51,385.38 Lakhs against Rs. 55,062.01 Lakhs in the previous fiscal year. Consolidated net profit after tax stood at Rs. 3,867.36 Lakhs from Rs. 1,046.50 Lakhs in 2020-21. KIC Minerals Private Limited ceased to be a Wholly Owned subsidiary of K I C Metaliks Limited w.e.f March 1, 2022.

### Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with details explanation thereof:

Ratios	% change	Reason
Debtors turnover (days)	-36.02%	Reduced receivables and better collections
Inventory turnover (days)	-17.17%	NA
Interest coverage ratio (times)	66.94%	Increase in profitability
Current ratio (times)	7.62%	NA
Debt-equity ratio (times)	-9.62%	NA



## Annexure - C to the Director's Report

Ratios	% change	Reason
Operating profit margin (%)	228.19%	Increase in profitability
Net profit margin (%)	281.91%	Increase in profitability
Return on Net Worth /Equity	204.41%	Increase in profitability

### Outlook

Globally, the positive trend in apparent steel consumption as well as in steel demand seen over the first three quarters of 2021 continued also in the fourth quarter, albeit at a considerably slower pace, while 2022 is expected to be subject to significant disruptions and uncertainties. Ongoing global issues have cast uncertainty on the economic and industrial outlook since last summer, and this situation is likely to last at least until the end of this year. Russia's invasion of Ukraine in February 2022 and its wide repercussions on oil and gas prices, global trade and supply chains in general have considerably worsened the picture. Economic recovery in the EU appears to be increasingly uneven and exposed to downside risks: shortage of components and raw materials, sky rocketing energy prices, rising shipping costs, have already resulted in slashed GDP growth prospects for 2022. Recovery in steel-using industries and in steel demand is expected to continue - after the strong rebound seen in 2021 following the COVID led slump in 2020 - but at a very moderate rate. High uncertainty is set to last at least until the end of 2022, conditional upon developments in the Russia-Ukraine war – which remain unpredictable at the time of writing – and its consequences on global supply chains.

India registered a sharp bounce back in its steel industry in 2021-22 with increased normalisation after the worst impacts of the pandemic. The country produced 120 MT of crude steel during the financial year ended March 31, 2022, as per the Steel Ministry. At 120 MT, the output was about 18 % higher as compared to the country's production in the preceding fiscal year. Further, with strong domestic steel production and favourable export markets, India exported 13.5 MT of finished steel during the financial year under report. Thus, India's steel sector, both in terms of external trade as well as domestic production and consumption, registered record performance notwithstanding the COVID-19 challenges. Furthermore, domestic consumption of steel rose to a record high of 106 MT in 2021-22, while production during the year rose to 120 MT.

With this performance, India's steel producers are looking forward to the current year as one of continued robust domestic demand on the back of higher government spends on public infrastructure, pick-up in the construction industry and rise in consumption. Experts believe that export markets could be lucrative too, given elevated prices in key markets.

### Risks and concerns

With the aim of continually growing to become a world-class pig iron producer and contribute to India's industrial competitiveness for the present and the future, K I C Metaliks has adopted a long-term framework considering the structural changes in the steel supply/demand environment and the role of the steel industry in solving crucial social challenges such as carbon neutrality.

Some of the key risks and their mitigation measures are summarised hereunder:

Economy/market risk	Risk control
The pig iron industry reported a 10 % YoY decline in 2021-22. This decline may continue and could impact the industry.	The long-term future of the pig iron industry is bright, as India is among the largest and fastest growing developing countries with emerging demand for steel on the back of the government's focus on infrastructure development, rapid urbanization and other key trends that are structural drivers of long-term steel demand.

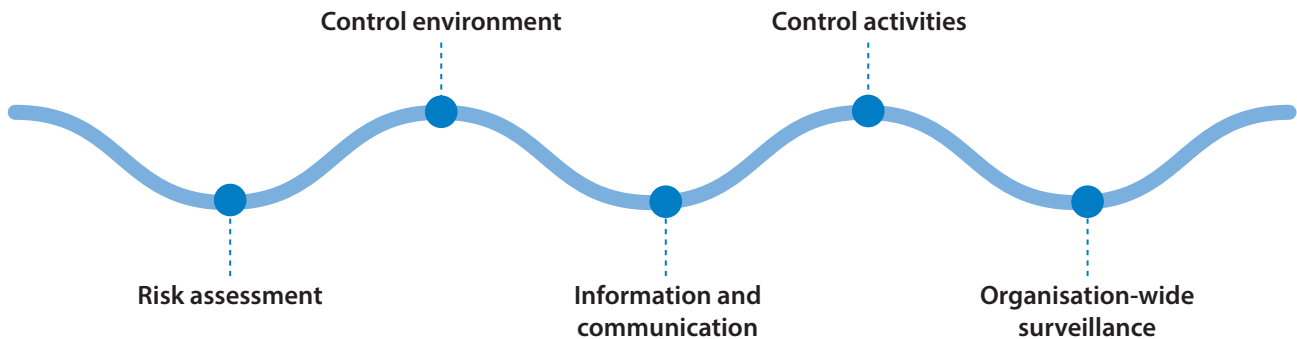
## Annexure - C to the Director's Report

<b>Operational risk</b>	<b>Risk control</b>
<p>The Company may face operational risk that could negatively affect its growth prospects.</p>	<p>The Company possesses over three decades of rich domain expertise in the pig iron business, which is a hedge against any operational misstep.</p> <p>Furthermore, the Company is focused on continuous achievement of operational excellence as this is the key for long-term sustainability. Towards this extent, it has adopted several initiatives to broaden and deepen its customer outreach efforts, attaining success in bagging repeat and secure contracts. This is also testament to the Company's superior quality products that are in demand from various downstream players in the value chain.</p> <p>Furthermore, the Company's backward integration initiatives across its plant site in Durgapur has enable competitiveness enhancement in terms of asset utilisation and resource productivity.</p>
<b>Raw material resource risk</b>	<b>Risk control</b>
<p>Pig iron manufacturing is a resource intensive business. Any disruptions in this regard might derail operations and exert a long-term impact on the business.</p>	<p>As a key measure to control this risk, the Company has facilitated long-term contracts with its key suppliers that have ensured a degree of supply and price certainty. Further, the Company also engages in constant dialogue and negotiations with its suppliers for securing the best price for its key resource inputs.</p> <p>Internally, the Company has also adopted many cost optimisation initiatives that have contributed to optimised consumption of inputs and minimisation of wastages alongside their re-utilization.</p>
<b>Liquidity risk</b>	<b>Risk control</b>
<p>Pig iron manufacturing requires prudent working capital and liquidity management in the face of high upfront costs and a relatively extended credit cycle.</p>	<p>The Company is focused on prudent and yet cautious working capital management approach with a view to ensure long-term business viability.</p> <p>The Company enjoys strong goodwill and reputation amongst its banking consortium, with the track record of timely discharge of its principal and interest payment liabilities. Furthermore, the Company also has unutilized credit line that acts as a liquidity buffer.</p> <p>Moreover, the Company has also remained successful in creating a cash generative business model that ensures the right balancing in meeting the needs of the present and also the growth priorities of the future.</p> <p>In addition, CARE Ratings has assigned CARE "BBB" for long-term and CARE "A3" for short-term financial instruments of the Company, indicating sound credit ratings.</p>
<b>Occupational health and safety risk</b>	<b>Risk control</b>
<p>Occupational health and safety is key from the standpoint of business continuity.</p>	<p>Our occupational health and safety policy takes into account the welfare and wellbeing of our people while keeping them safe at all times.</p> <p>We have instituted a number of practices on our shopfloor that helps keep our people safe and secure. Further, we have also made provisions for ready access to emergency medical resources in the case of any emergencies. This has minimised occurrence of any fatal events.</p> <p>Besides, we engage in regular awareness sessions that enable sensitization of our workforce with regards to safety and safe practices, even as we acknowledge and incentivize the adoption of best practices in industrial safety.</p>

## Annexure - C to the Director's Report

### Internal control systems and their adequacy

The Company's Board of Directors operates an extensive system of internal control. It includes the organisation's plans and policies to ensure orderly and efficient business conduct at all times. The Board has also established appropriate processes to monitor the relevant external and internal risks. The Company has follows a well-defined model of internal control system to deal efficiently and effectively with all the five components of internal control system, namely :



Furthermore, the Company conducts continuous internal audit, leading to an independent and systematic assessment of its data, records, performances, etc., with a pre-determined objective of safeguarding the assets and operations of the Company and thus the interest of its shareholders and other stakeholders.

Internal audit works as a catalyst for improving an organisation's effectiveness, thus providing insight and recommendations based on analysis and assessments of data and business processes. With its commitment to integrity and accountability, internal audit provides value to governing bodies and senior management as an objective source of independent advice. The organisation promotes independent examination of its plans and the policies, subject to the overall control environment supervision by the Board Level Audit Committee. This leads to accountability and transparency of operations and promotes independent examination. During the year, the Company focused on encouraging independent decision-making, documentation of shortcomings of the various processes and departments, and correction of the work processes.

It is supplemented by well-documented policies, guidelines, procedures and regular reviews, which are carried out by the Company's Internal Audit Department. The reports containing significant audit findings, if any, are submitted to the Company's management and it's Audit Committee.

### Material developments in human resources

In today's rapidly transforming business landscape, the scarcest and yet most precious form of capital is human capital. Thus, human capital management is fundamental to build the organization for the future, as talent has become the most apparent direct source of competitive advantage. At K I C Metaliks, as we focus on the future, we have put our people at the centre of our work by embedding people development into the heart of our culture.

The outbreak of the Covid-19 pandemic had severely affected all economic activities around the globe, including India, during the year. All industrial operations within the country practically slowed down or halted in the face of the second wave of the virus. Though some long-term HR projects aimed at improving HR operations and policies to enhance further efficiency were temporarily delayed, we regulated our HR operations efficiently through reduced manning levels at work premises to minimize unnecessary exposure, while systems were put in place to facilitate employees to work from home.

Talent management and development is a crucial aspect at the Company. We expect our managers and leaders to serve as role model by developing and implementing business strategies in line withour corporate ethics and values. We expect them to have a positive impact on shaping day-to-day business, motivating employees and fostering their continuous development.

## **Annexure - C** to the Director's Report

Our human capital is guided by our prudent human resource policies as we continue to remain progressive and dynamic in our practices to address the Company's evolving needs and remain aligned with contemporary market trends. Our policies focus on designing appropriate employee recruitment and development measures, which ensure availability of competent personnel for each function according to the emerging and ever-changing needs and challenges faced by the Company. Furthermore, our talented and committed people are key to everything we do for our Company, our stakeholders, our customers and to the future of our country.

At the end of fiscal 2021-22, we had a total work force of 326 people on our rolls.

**Annexure - D** to the Director's Report

'ANNEXURE - D'

Form No. MR-3

**SECRETARIAL AUDIT REPORT****for the financial year ended March 31, 2022**

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

To,  
The Members,  
**K I C Metaliks Limited**  
3B, Lal Bazar Street  
4<sup>th</sup> Floor, Room No. 2  
Kolkata – 700001

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance – mechanism in place to the extent , in the manner and subject to the reporting made hereinafter.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. K I C Metaliks Limited for the financial year ended on March 31, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable during the Audit Period;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: Disclosures are filed by the Company whenever required.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

## Annexure - D to the Director's Report

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

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

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

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

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda along-with detailed notes and the same were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Minutes of Committee meetings (as per the applicable provisions of the Act) were duly maintained.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

For **B G Lahoti & Associates**

**Beni Gopal Lahoti**

*Practicing Company Secretary*

ACS No. : 37056

CP No. : 14749

Place : Howrah

Date : May 14, 2022

UDIN : A037056D000323980

**Annexure - D** to the Director's Report**'ANNEXURE A'**

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

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

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

For **B G Lahoti & Associates**

**Beni Gopal Lahoti**

*Practicing Company Secretary*

ACS No. : 37056

CP No. : 14749

Place : Howrah  
Date : May 14, 2022  
UDIN : A037056D000323980

## Annexure - E to the Director's Report

### COMPLIANCE CERTIFICATE

{Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015}

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

We, Mr. Radhey Shyam Jalan, (DIN : 00578800), Chairman and Managing Director and Mr. Mukesh Bengani, Director (Finance) and Chief Financial Officer, of the Company responsible for the finance function, certify that :

- A.** We have reviewed financial statements and the cash flow statement for the financial year 2021-22 and that to the best of our knowledge and belief :
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.** There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the Auditors and the Audit committee :
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **K I C Metaliks Limited**

For **K I C Metaliks Limited**

Place : Kolkata  
Dated : May 26, 2022

**Radhey Shyam Jalan**  
*Chairman and Managing Director*  
(DIN : 00578800)

**Mukesh Bengani**  
*Director (Finance) and Chief Financial Officer*  
(DIN : 08892916)



## Annexure - F to the Director's Report

'ANNEXURE - F'



# Corporate Social responsibility report

[Pursuant to Section 135 of the Companies Act, 2013, as amended read with Notification issued by the Ministry of Corporate Affairs dated the January 22, 2021 and Rules made thereunder]

## 1. Brief outline on CSR policy of the Company

Your Company believes that along with sustained economic performance, environmental and social conservancy is also a key factor for holistic business growth. It pledges itself to care for and serve the community by designing sustainable development model that leads to socio-economic and ecological development in its area of influence. Through the values and principles inherent within the Company, it strives to positively impact the community by promoting inclusive growth in the areas of education, healthcare, sports, environmental sustainability and conservation etc. The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the weblink for the same is provided in this report. The Company has taken up or shall take activities mentioned in its policy as and when fruitful opportunity exists.

## 2. Composition of the CSR Committee

Sl. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the tenure	Number of meetings of CSR Committee attended during the year
1.	Mr. Laxmi Naryan Sharma <sup>a</sup>	Chairman <sup>a</sup>	1	1
2.	Mrs. Manjula Poddar <sup>b</sup>	Chairman <sup>b</sup>	1	1
3.	Mrs. Ishita Bose <sup>c</sup>	Member	0	0
4.	Mr. Mukesh Bengani	Member	1	1
5.	Mr. Radhey Shyam Jalan <sup>d</sup>	Member	0	0
6.	Mr. Rajarshi Ghosh <sup>e</sup>	Member	1	1
7.	Mr. Kanhaiyalal Didwania <sup>f</sup>	Member	1	1

### Notes :

- Mr. Laxmi Naryan Sharma ceased to be a chairperson and member of the Committee w.e.f March 1, 2022.
- Mrs. Manjula Poddar was designated as the new chairperson of the Committee w.e.f March 1, 2022.
- Mrs. Ishita Bose was appointed as a member of the Committee w.e.f August 6, 2021 and ceased to be a member w.e.f March 1, 2022.
- Mr. Radhey Shyam Jalan appointed as a new member of the Committee w.e.f March 1, 2022.
- Mr. Rajarshi Ghosh ceased to be a member of the Committee w.e.f August 6, 2021.
- Mr. Kanhaiyalal Didwania ceased to be a member of the Committee w.e.f August 6, 2021.

## Annexure - F to the Director's Report

### 3. Web link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

The Board of Directors of the Company has approved the CSR Policy as recommended by the Committee and the same has been uploaded on the Company's website at <https://kicmetaliks.com/wp-content/uploads/2021/10/corporate-social-responsibility-policy.pdf>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable

### 5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

### 6. Average net profit of the Company as per Section 135(5) of the Companies Act, 2013 : ₹ 2,785.47 Lakhs

Sl. No.	Particulars	Details
(a)	Two percent of average net profit of the Company as per section 135(5)	₹ 55.71 Lakhs
(b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	0
(c)	Amount required to be set off for the financial year, if any	Not Applicable
(d)	<b>Total CSR obligation for the financial year (7a+7b-7c)</b>	<b>₹ 55.71 Lakhs</b>

### 8. a) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
1.97	53.74	April 30, 2022	-	-	-

### b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District						Name	CSR registration number
1.	Promoting Education	Clause II of Schedule VII	Yes			3 Years	53.74	0	53.74	Yes	NA	NA

**Annexure - F** to the Director's Report**c) Details of CSR amount spent against other than ongoing projects for the financial year :**

1 Sl. No.	2 Name of the project	3 Item from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the project		6 Amount spent for the project (₹ in Lakhs)	7 Mode of implementation Direct (Yes/No)	8 Mode of Implementation through Implementing Agency	
				State	District			Name	CSR registration number
1.	Promoting Health and Safety	Clause II of Schedule VII	Yes	West Bengal	Durgapur	0.97	Yes	NA	NA
2.	Promoting Sports	Clause VII of Schedule VII	Yes	West Bengal	Kolkata	1.00	Yes	NA	NA
Total						1.97			

d) Amount spent in Administrative Overheads : ₹ 0.00

e) Amount spent on impact Assessment, if applicable : Not applicable

f) Total amount spent for the financial year (8b+8c+8d+8e) : 1.97 Lakhs

g) Excess amount for the set off, if any

Sl. No.	Particulars	Amount (In ₹)
1.	Two percent of average net profit of the Company as per Section 135(5)	Nil
2.	Total amount spent for the financial year	Nil
3.	Excess amount spent for the financial year [ii-i]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	Nil
5.	Amount available for set off in succeeding financial years [iii-iv]	Nil

**10. a) Details of unspent CSR amount for the preceding three financial years:**

1 Sl No.	2 Preceding financial year	3 Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	4 Amount spent in the reporting financial year (₹ in Lakhs)	5 Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			6 Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	70.29 *	27.77	-	-	-	-
2.	2019-20	-	4.32	-	-	-	51.90
3.	2018-19	-	11.58	-	-	-	6.59
Total			43.67				88.89

**Notes :**

\* As on March 31, 2021 the Company needed to transfer ₹ 80.29 Lakhs to unspent CSR Account as per Section 135(6) of the Companies Act, 2013. On April 19, 2021 the Company transferred ₹ 10 Lakhs from this amount to an ongoing project, consequent to which ₹ 70.29 Lakhs was transferred to the unspent CSR Account on April 30, 2021.

## Annexure - F to the Director's Report

### b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting financial year (₹ in Lakhs)	Cumulative amount spent at the end of reporting financial year (₹ in Lakhs)	Status of the project - Completed / Ongoing
1.	FY31.03.2021_1	Promoting Health and Safety	FY 2020-21	1 years	15.00	15.50	17.51	Completed
2.	FY31.03.2021_2	Promoting Education	FY 2020-21	3 years	65.29	10.00	10.00	Ongoing

### 11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :

Sl. No.	Particulars	Details
(a)	Date of creation or acquisition of the capital asset(s)	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil

### 12. Specify the reason(s), if the Company has failed to spend two percent of the average net profits as per section 135(5) : Not Applicable

For and on behalf of the Board of Directors of  
**K I C Metaliks Limited**

**Radhey Shyam Jalan**  
Chairman and Managing Director  
(DIN : 00578800)

**Manjula Poddar**  
Chairman of CSR Committee  
(DIN : 08158445)

Place : Kolkata  
Dated : May 26, 2022

**Annexure - G** to the Director's Report**Form AOC - 1**

[Pursuant to first proviso of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statements of subsidiaries or associate companies or joint ventures****Part A  
Subsidiaries**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	KIC Minerals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	February 28, 2022
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	5,00,000
5.	Reserves & surplus	(-)2,72,970
6.	Total assets	2,38,830
7.	Total Liabilities	2.38.380
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(-)16,150
11.	Provision for taxation	Nil
12.	Proposed Dividend	Nil
13.	Extent of shareholding (in percentage)	100 %

a. Names of subsidiaries which are yet to commence operations: Nil

b. Names of subsidiaries which have been liquidated or sold during the year : KIC Minerals Private Limited

**Part B  
Associates and Joint Ventures**

Not Applicable as there are no Associates and Joint Ventures

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**  
Chairman and Managing Director  
(DIN: 00578800)

**Mukesh Bengani**  
Chief Financial Officer  
(DIN: 08892916)

**Ruchika Fogla**  
Company Secretary  
(Membership No. A23339)

**Manjula Poddar**  
Director  
(DIN: 08158445)

Place : Kolkata  
Date : May 26, 2022

## Annexure - H to the Director's Report

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

Sl. No.	Employee Name	Designation	Remuneration Received (Amt. ₹)	Qualification	Age (yrs.)	Total Experience (yrs.)	Date of Commencement of Employment in the Company	Previous employment
A	B	C	D	E	F	G	H	I
1.	Radhey Shyam Jalan	Managing Director	96,00,000	B. Com (H), Chartered Accountant	41	23	16.01.2009	Nil
2.	Suryadevara Srinivas	Vice President	28,27,200	BE ( Mechanical )	55	30	22.07.2020	Hospet Steel Ltd.
3.	Barun Kumar Singh	Head – Project & Business Development	25,33,044	Metallurgical Engineer	57	32	01.04.2018	Usha Martin Industries Ltd.
4.	Manoj Prasad	DGM (Mechanical)	18,94,080	Diploma (Mechanical Engineering)	47	25	01.10.2011	Jai Balaji Industries Ltd.
5.	Sukhamay Kundu	Senior General Manager	18,79,693	B-Tech (Metallurgy) & MBA	44	24	19.08.2021	Neo Metaliks Ltd.
6.	Naga Venkata Ramesh Dronavall	DGM (Operation)	16,19,484	Diploma (Metallurgy)	51	28	19.01.2017	Atibir Industries Co. Ltd.
7.	Mukesh Bengani	Director (Finance) and Chief Financial Officer	13,80,024	B. Com (H), Chartered Accountant	43	17	01.04.2009	ICICI Bank Ltd.
8.	Navaratan Chhajjar	Commercial Manager	12,35,328	B.com (H)	56	34	10.12.1993	Woolworth India Ltd.
9.	Rama Shankar Singh	DGM	11,63,774	B-Tech (Electrical)	52	27	24.06.2017	Neo Metaliks Ltd.
10.	Supriya Banerjee	Manager (MBF/ Electrical)	8,96,364	Diploma (Electrical)	46	24	15.03.2007	Shivam Industries Ltd.

#### Notes :

1. Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Fund.
2. Nature of employment is Contractual in the case of Managing Director and Whole Time Director.
3. In respect of all the other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to be transferred to any division of the Company.
4. None of the employee mentioned above is relative of any Director of the Company.
5. None of the employee has any shareholding in the Company, except Mr. Radhey Shyam Jalan who holds 5,13,475 equity shares as on March 31, 2022.
6. Total experience shown in Column G includes service with previous employers.

For and on behalf of the Board of Directors

**Radhey Shyam Jalan**  
Chairman and Managing Director  
(DIN : 00578800)

Place : Kolkata

Dated : May 26, 2022

## Independent Auditor's Report

To the Members of  
**K I C Metaliks Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **K I C Metaliks Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, the standalone statement of profit and loss (including Other Comprehensive Income), standalone statement of changes in equity and the standalone cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flow for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and shareholder's Information, but does not include standalone financial statements and our Auditor's Report thereon.

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

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

#### Management's Responsibility for the standalone financial statements

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

## Independent Auditor's Report

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the audit of the standalone financial statements

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

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

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

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



## Independent Auditor's Report

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that,
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of Section 197(16) of the Act,

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us

## Independent Auditor's Report

- I. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- III. There were no amounts, which were required to be transferred, to the Investor Education and protection fund by the Company.
- IV. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the undertaking, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security the like on behalf of the ultimate Beneficiaries,
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(d), as provided under (a) and (b) above, contain any material misstatement.
- V. The Company does not declare or paid any dividend during the year, under consideration.

For **B. N. Agrawal & Co.**

*Chartered Accountants*

Firm Reg. No. 320312E

**Anshu Agarwal**

*Partner*

*Membership No. 314802*

UDIN: 22314802AKQCEM2067

Place : Kolkata

Date : May 26, 2022

**Annexure - A** to the Independents Auditors' Report

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of K I C Metaliks Limited of even date)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, Plant and Equipment.  
(B) The Company does not have any intangible assets; as such this para is not applicable.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of Property, Plant and Equipment to cover all the assets once every three years which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not have any immovable properties (other than leasehold land where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as such reporting under clause 2(i) (c) is not applicable.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not re-valued any of its property, plant and equipment during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceeding have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) The inventory has been physically verified by the management during the year. According to the information given to us there are no stock lying with third parties. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10 % in the aggregate of each class of inventory.
  - b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of movable, immovable and current assets. The Company has filed quarterly returns and stock statements with such banks, which are in agreement with the books of accounts.
- iii. The Company has not invested and not provided any guarantee or security or granted any loans or advance in nature of loans, secured or unsecured, to Companies, Firms or Limited Liability Partnership or any other parties during the year. Hence, reporting under clause 2 (iii)(a), (b), (c), (d), (e) and (f) is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 2(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposit within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. As such this para is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- vii. In respect of statutory dues:
  - a) There are no undisputed statutory dues payable in respect of Goods and Service Tax, Provident Fund, Employees'

## Annexure - A to the Independents Auditors' Report

State Insurance, Income-tax, Custom Duty and cess and other material statutory dues were in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, following are the statutory dues arrear as at March 31, 2022 which has not been deposited on account of dispute.

Name of the statute	Nature of dues	Amount (net of payments) (Rs. in lakhs)	Amount paid (Rs. in lakhs)	Period to which the amount relates (F.Y.)	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	14.34	1.43	2017	CESTAT

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other Borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and the records of the Company examined by us, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statement of the Company, fund raised on short-term basis, prima facie, not been used during the year for the long-term purpose by the company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- x. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year, as such this para is not applicable
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally), as such is para is not applicable.
- xi. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT - 4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company; as such reporting under clause 2 (12) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

## Annexure - A to the Independents Auditors' Report

- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, during the year the Company has not entered into non cash transaction with its Director or persons connected with its Directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 2(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, reporting under clause 2(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Hence, reporting under clause 2(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Hence, reporting under clause 2 (16) (c) of the Order is not applicable
- (d) Based on the information and explanations provided by the management, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 2 (16)(d) of the Order is not applicable.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
- xviii. There has been no resignation of the Statutory Auditors of the Company during the year and accordingly the reporting under clause 2(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 41 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit Report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the Audit Report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, the Company has not transferred unspent amount to a fund specified in Schedule VII to the Act within six months of the expiry of the financial year in pursuant other than ongoing projects under second proviso to sub-section (5) of Section 135 of the Act.
- (b) The Company has transferred Rs. 53.74 lacs for the financial year 2021-22 remaining unspent under sub-section (5) of section 135 of the Companies Act pursuant to ongoing projects.
- The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Anshu Agarwal**  
Partner  
Membership No. 314802

Place : Kolkata  
Date : May 26, 2022

## **Annexure - B** to the Independents Auditors' Report

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

We have audited the Internal Financial Controls over financial reporting of **K I C Metaliks Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### **Management's responsibility for internal financial controls**

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

### **Auditor's responsibility**

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

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

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

### **Meaning of Internal Financial Controls over financial reporting**

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

### **Inherent Limitation of Internal Financial Controls over financial reporting**

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

## Annexure - B to the Independents Auditors' Report

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operate effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institution of Chartered Accountants of India.

Place : Kolkata  
Date : May 26, 2022

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

**Anshu Agarwal**  
*Partner*  
Membership No. 314802

## Standalone Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>Assets</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	3	17,017.57	18,760.43
(b) Capital work-in-progress	3	3,630.21	96.19
(c) Right-of-use assets	4	103.07	106.81
(d) Financial assets			
(i) Investments	5.1	-	5.00
(ii) Other financial assets	5.2	211.39	-
(e) Other non-current assets	6	104.84	66.22
<b>Total non-current assets</b>		<b>21,067.08</b>	<b>19,034.65</b>
<b>II. Current assets</b>			
(a) Inventories	7	8,251.15	10,412.85
(b) Financial assets			
(i) Trade receivables	8	143.97	817.15
(ii) Cash and cash equivalents	9	7.18	1,076.92
(iii) Bank balances other than (ii) above	10	226.50	46.13
(iv) Others financial assets	11	82.07	86.66
(c) Other current assets	12	8,933.00	10,074.75
(d) Assets held for sale	13	468.92	-
<b>Total current assets</b>		<b>18,112.79</b>	<b>22,514.46</b>
<b>Total assets</b>		<b>39,179.87</b>	<b>41,549.11</b>
<b>Equity and liabilities</b>			
<b>III. Equity</b>			
(a) Equity share capital	14	709.92	709.92
(b) Other equity	15	15,223.66	11,355.85
<b>Total equity</b>		<b>15,933.58</b>	<b>12,065.77</b>
<b>IV. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	3,881.57	6,287.50
(b) Provisions	17	288.97	162.27
(c) Deferred tax liabilities (net)	32	2,315.56	1,566.89
<b>Total non-current liabilities</b>		<b>6,486.10</b>	<b>8,016.66</b>
<b>V. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	11,724.04	6,766.49
(ii) Trade payables :	19		
: Dues of micro and small enterprises		39.01	-
: Dues of creditors other than micro and small enterprises		1,097.79	6,049.56
(iii) Other financial liabilities	20	177.08	294.03
(b) Others current liabilities	21	575.57	6,356.94
(c) Provisions	22	3,146.70	1,999.66
<b>Total current liabilities</b>		<b>16,760.19</b>	<b>21,466.68</b>
<b>Total equity and liabilities</b>		<b>39,179.87</b>	<b>41,549.11</b>

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

For **B. N. Agrawal & Co.**

Chartered Accountants

Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

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

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director

(DIN: 00578800)



## Standalone Statement of Profit and Loss for the year ended March 31, 2022 (₹ in Lakhs)

	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I.	Revenue from operations	23	51,385.38	55,062.01
II.	Other income	24	2,441.77	656.45
<b>III.</b>	<b>Total income ( I+II)</b>		<b>53,827.15</b>	<b>55,718.46</b>
<b>IV.</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	25	31,630.55	44,434.17
	(b) Purchase of stock-in-trade	26	7,542.99	3,201.80
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	141.78	84.18
	(d) Employee benefit expense	28	2,025.99	1,629.72
	(e) Finance costs	29	1,896.33	1,030.73
	(f) Depreciation and amortization expense	30	1,181.41	893.97
	(g) Other expenses	31	3,645.78	2,976.66
	<b>Total expenses</b>		<b>48,064.83</b>	<b>54,251.23</b>
<b>V.</b>	<b>Profit before tax (III-IV)</b>		<b>5,762.32</b>	<b>1,467.23</b>
<b>VI.</b>	<b>Tax expense</b>			
	(a) Current tax	32	1,150.47	302.14
	(b) Deferred tax	32	747.05	118.41
	<b>Total tax expenses</b>		<b>1,897.52</b>	<b>420.55</b>
<b>VII.</b>	<b>Profit after tax for the year (V-VI)</b>		<b>3,864.80</b>	<b>1,046.68</b>
<b>VIII.</b>	<b>Other comprehensive income</b>			
	(a) Item that will not be reclassified to profit & loss:			
	(i) Remeasurements of retirement benefit plans		4.63	10.39
	(b) Income tax affect relating to above		(1.62)	(3.63)
	<b>Other comprehensive income (net of tax)</b>		<b>3.01</b>	<b>6.76</b>
<b>IX.</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>3,867.81</b>	<b>1,053.44</b>
X.	Earnings per Equity Share of Rs. 2/- each			
	- Basic ( In Rs.)	33	10.89	2.95
	- Diluted ( In Rs.)		10.89	2.95

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached

For **B. N. Agrawal & Co.**

Chartered Accountants

Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

**R. Fogla**

Company Secretary  
(Membership No.: A23339)

**M. Bengani**

Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**

Director  
(DIN: 08158445)

## Standalone Statement of Changes in Equity for the year ended March 31, 2022 (₹ in Lakhs)

### (a) Equity share capital

Particulars	Amount
<b>Balance as at 31.03.2020</b>	<b>709.92</b>
Changes in equity share capital during the year	-
<b>Balance as at 31.03.2021</b>	<b>709.92</b>
Changes in equity share capital during the year	-
<b>Balance as at 31.03.2022</b>	<b>709.92</b>

### (b) Other Equity

For the year ended March 31, 2022 :

(₹ in Lakhs)

Particulars	Equity Component of Compound Financial Instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
<b>Balance as at 01.04.2021</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>7,851.82</b>	<b>11,355.85</b>
Transferred to capital redemption reserve from retained earnings	-	4,510.00	-	(4,510.00)	-
Transferred to retained earnings from equity component of compound financial instruments	(1,230.15)	-	-	1,230.15	-
Profit for the year	-	-	-	3,864.80	3,864.80
Other comprehensive income for the year	-	-	-	3.01	3.01
<b>Balance as at 31.03.2022</b>	<b>-</b>	<b>4,810.00</b>	<b>1,973.88</b>	<b>8,439.78</b>	<b>15,223.66</b>

For the year ended March 31, 2021 :

(₹ in Lakhs)

Particulars	Equity Component of Compound Financial Instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
Balance as at 01.04.2020	1,230.15	300.00	1,973.88	6,798.38	10,302.41
Profit for the year	-	-	-	1,046.68	1,046.68
Other comprehensive income for the year	-	-	-	6.76	6.76
<b>Balance as at 31.03.2021</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>7,851.82</b>	<b>11,355.85</b>

See accompanying notes to the standalone financial statements.

In terms of our report of even date attached  
For **B. N. Agrawal & Co.**  
Chartered Accountants  
Firm Registration No. 320312E

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

**R. Fogla**

Company Secretary  
(Membership No.: A23339)

**M. Bengani**

Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**

Director  
(DIN: 08158445)

**Standalone Cash Flow Statement** for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Cash flow from operating activities</b>		
Profit before tax	5,762.32	1,467.23
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,181.41	893.97
Finance costs	1,896.33	1,030.73
Interest income	(1,995.29)	(479.40)
Sundry liabilities relating to earlier years written back	(270.45)	(32.89)
Impairment allowance for doubtful debts written back	(0.46)	(39.78)
Loss/(profit) on disposal of property, plant & equipment	11.20	2.11
<b>Operating profit before working capital changes</b>	<b>6,585.06</b>	<b>2,841.97</b>
<b>Adjustments for:</b>		
(Increase) / decrease in trade receivables	673.64	13.42
(Increase) / decrease in inventories	2,161.70	3,320.20
(Increase) / decrease in other current financial assets	(175.78)	123.55
(Increase) / decrease in other current assets	1,141.75	(4,656.86)
Increase / (decrease) in trade payables	(4,642.31)	(5,761.28)
Increase / (decrease) in current financial liabilities	(116.95)	1,386.88
Increase / (decrease) Other current liabilities	(5,781.37)	3,936.26
Increase / (decrease) in provisions	1,278.37	319.22
<b>Operating profit after working capital changes</b>	<b>1,124.11</b>	<b>1,523.36</b>
Income tax paid	1,150.47	302.14
<b>Net cash flow generated from operating activities</b>	<b>(26.36)</b>	<b>1,221.22</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on property, plant & equipment, including capital work-in-progress and capital advances	(3,487.57)	(613.60)
Interest income received	1,995.29	479.40
Sale of investment in wholly owned subsidiary	5.00	-
Fixed deposits with banks for more than 12 months maturity	(211.39)	-
<b>Net cash flow (used in)/ generated from investing activities</b>	<b>(1,698.67)</b>	<b>(134.20)</b>
<b>Cash flow from financing activities</b>		
(Repayment)/proceedings of short term borrowings ( net)	4,957.55	1,435.25
(Repayment)/proceedings of long term borrowing (net)	(3,228.24)	(1,118.08)
Finance costs paid	(1,074.02)	(789.48)
<b>Net cash flow used in financing activities</b>	<b>655.29</b>	<b>(472.31)</b>
Net increase in cash and cash equivalents	<b>(1,069.74)</b>	<b>614.71</b>
Cash and cash equivalents - opening balance	1,076.92	462.21
Cash and cash equivalents - closing balance	7.18	1,076.92

Notes : Cash flow statement has been prepared under the indirect method as given in the Indian Accounting Standard (Ind AS 7) on the cash flow statement.

In terms of our report of even date attached

For **B. N. Agrawal & Co.**

Chartered Accountants

Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

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

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

## Notes to the Standalone Financial Statements

### 1. Corporate information

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

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

#### 2.1 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 | Property, plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022.

Ind AS 37 | Provisions, contingent liabilities and contingent assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

Ind AS 103 | Business combinations

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

Ind AS 109 | Financial instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

#### 2.2 Statement of compliance

The standalone financial statements of the Company which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India. The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on May 26, 2022.

#### 2.3 Basis of preparation and presentation of financial statements

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

## Notes to the Standalone Financial Statements

### Fair value measurement

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

External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

### Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

### Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh (₹00,000) as per the requirement of Schedule III of the Companies Act, 2013 unless otherwise stated.

### Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading ;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current only.

## Notes to the Standalone Financial Statements

### 2.4 Use of estimates

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

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

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

### 2.5. Summary of significant accounting policies

#### a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is recognised based on the price specified in the sales order taking into account contractually defined terms of payment and net of taxes collected on behalf of the government such as goods and service tax, etc. Revenues are reduced for estimated rebates and other similar allowances.

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

#### Sale of goods

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

- (i) significant risks and rewards of ownership has been transferred to the customer;
- (ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained;
- (iii) the amount of revenue can be measured reliably.
- (iv) revenue from sale of services are recognised at a time on which the performance is completed.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### b. Expense Recognition

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

#### c. Taxes

Tax expense for the year comprises current and deferred tax

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

## Notes to the Standalone Financial Statements

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

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

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

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

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in other equity.

### d. Property, plant and equipment

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

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

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

### e. Depreciation of property, plant and equipment

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

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

## Notes to the Standalone Financial Statements

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

Asset group	Useful life (in years)
Factory building	30
Non-factory Building	60
Plant & equipment	20-40
Captive power plant	40
Electrical installation	10
Furniture & fixtures	10
Office equipment	05
Vehicle	08-10
Computers	03

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

### f. Capital work-in-progress (CWIP)

Capital work in progress are stated at cost, net of impairment loss, if any. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

### g. Intangible assets

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

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

### h. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet. Assets once classified as held for sale are not depreciated or amortised. The gain or loss arising on the sale proceeds and the carrying amount is recognised in the statement of profit and loss.

### i. Impairment

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



## Notes to the Standalone Financial Statements

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

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

### **j. Borrowing costs**

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

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

### **k. Leases**

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

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

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

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

### **l. Inventories**

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

### **m. Retirement and other employee benefits**

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

## Notes to the Standalone Financial Statements

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

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

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

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

### n. Foreign currency translations

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

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

### o. Financial instruments

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

#### Effective interest method

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

#### i) Financial assets

##### Financial assets other than equity instruments at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets measured at fair value

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

## Notes to the Standalone Financial Statements

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

### Equity instruments

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

### Impairment of financial assets

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

### Derecognition of financial assets

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

## ii) Financial liabilities and equity instruments

### Classification as debt or equity

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

### Equity instruments

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

### Financial liabilities

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

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

### Derecognition of financial liabilities

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

## iii) Offsetting financial instruments

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

## Notes to the Standalone Financial Statements

### p. Cash and cash equivalents

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

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

### q. Cash flow statement

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

### r. Other bank balances

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

### s. Government grants

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

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

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

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

### t. Earnings per share

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

### u. Provision and contingencies

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

## Notes to the Standalone Financial Statements

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

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

### v. Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

#### Identification of segments

The Company's operating business predominantly relates to manufacturing of Iron & Steel and allied products.

## Notes to the Standalone Financial Statements

### 3. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Carrying Amounts of :</b>		
Building and Shed - Factory	1,181.40	1,243.27
Building - Other	20.12	20.55
Plant and Equipments	15,512.17	17,224.31
Furniture and Fixtures	4.36	4.92
Vehicles	161.91	112.69
Office Equipments	3.55	3.20
Computers	5.71	5.56
<b>Total (A)</b>	<b>16,889.22</b>	<b>18,614.50</b>
<b>Assets Given on Lease</b>		
Building & Shed	82.74	90.51
Plant and Equipments	45.60	55.41
Furniture and Fixtures	0.01	0.01
<b>Total (B)</b>	<b>128.35</b>	<b>145.93</b>
<b>Total (A+B)</b>	<b>17,017.57</b>	<b>18,760.43</b>
Capital Work-in-Progress	3,630.21	96.19
<b>Total</b>	<b>20,647.78</b>	<b>18,856.62</b>

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

Particulars	Building and Shed - Factory	Building - Other	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Assets given on Lease			Total
								Building & Shed	Plant and Equipments	Furniture and Fixtures	
<b>For the FY 2021-22</b>											
<b>Gross carrying amount</b>											
<b>As at 01.04.2021</b>	1,498.37	22.70	20,807.99	9.70	190.89	8.50	21.65	129.36	110.56	0.01	22,799.73
Additions	-	-	-	-	72.36	0.93	1.73	-	-	-	75.02
Disposals	-	-	1,006.98	-	9.59	-	-	-	-	-	1,016.57
<b>As at 31.03.2022</b>	1,498.37	22.70	19,801.01	9.70	253.66	9.43	23.38	129.36	110.56	0.01	21,858.18
<b>Accumulated depreciation</b>											
<b>As at 01.04.2021</b>	255.10	2.15	3,583.68	4.78	78.20	5.30	16.09	38.85	55.15	-	4,039.30
Charge for the year	61.87	0.43	1,074.62	0.56	20.45	0.58	1.58	7.77	9.81	-	1,177.67
Disposals	-	-	369.46	-	6.90	-	-	-	-	-	376.36
<b>As at 31.03.2022</b>	316.97	2.58	4,288.84	5.34	91.75	5.88	17.67	46.62	64.96	-	4,840.61
<b>Net carrying amount as at 31.03.2022</b>	1,181.40	20.12	15,512.17	4.36	161.91	3.55	5.71	82.74	45.60	0.01	17,017.57
<b>For the FY 2020-21</b>											
<b>Gross carrying amount</b>											
<b>As at 01.04.2020</b>	1,148.13	22.70	11,961.55	9.48	148.15	8.21	18.69	129.36	110.56	0.01	13,556.84
Additions	350.24	-	8,846.44	0.22	43.64	0.68	3.78	-	-	-	9,245.00
Disposals	-	-	-	-	0.90	0.39	0.82	-	-	-	2.11
<b>As at 31.03.2021</b>	1,498.37	22.70	20,807.99	9.70	190.89	8.50	21.65	129.36	110.56	0.01	22,799.73
<b>Accumulated depreciation</b>											
<b>As at 01.04.2020</b>	203.11	1.72	2,781.71	3.72	63.00	4.78	14.61	31.08	45.34	-	3,149.07
Charge for the year	51.99	0.43	801.97	1.06	15.20	0.52	1.48	7.77	9.81	-	890.23
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	255.10	2.15	3,583.68	4.78	78.20	5.30	16.09	38.85	55.15	-	4,039.30
<b>Net carrying amount as at 31.03.2021</b>	1,243.27	20.55	17,224.31	4.92	112.69	3.20	5.56	90.51	55.41	0.01	18,760.43

- 3.1 Property, plant and equipment includes assets pledged as security to bank for term loan and working capital loan (refer note no 16.1 and 18.1)
- 3.2 Refer note no 34.1 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3.3 The Capital WIP amount to Rs 3,630.21 Lakhs (previous year Rs. 96.19 lakhs).
- 3.4 Amount of borrowing costs capitalised during the year Rs. 22.58 lakhs (previous year Rs. 322.11 lakhs).

## Notes to the Standalone Financial Statements

### 3.5 Capital work-in-progress ageing schedule

(₹ in Lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31.03.2022</b>					
Projects in progress	3,534.02	51.72	44.47	-	3,630.21
Projects temporarily suspended	-	-	-	-	-
<b>As at 31.03.2021</b>					
Projects in progress	51.72	44.47	-	-	96.19
Projects temporarily suspended	-	-	-	-	-

3.6 There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

### 4. Right-of-use assets

(₹ in Lakhs)

Particulars	Leasehold Land As at 31.03.2022	Leasehold Land As at 31.03.2021
Opening balance	106.81	110.55
Additions	-	-
Deletion	-	-
Depreciation	3.74	3.74
<b>Closing balance</b>	<b>103.07</b>	<b>106.81</b>

### 5. Financial assets

Investments (non current)

#### 5.1 Investment in equity instruments (In 100 % Subsidiary Company) (unquoted), (valued at cost)

(₹ in Lakhs)

Name of Company	As at 31.03.2022	As at 31.03.2021
KIC Minerals Private Limited, Nil (previous year- 50,000) equity shares of Rs. 10/- each, fully paid up	-	5.00
<b>Aggregate amount of unquoted Investment</b>	<b>-</b>	<b>5.00</b>

During the FY 2021-22, the Company sold its 100 % Investment in its wholly owned subsidiary KIC Minerals Private Limited.

#### 5.2 Other financial assets (non current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Fixed deposits with banks for more than 12 months maturity	211.39	-
<b>Total</b>	<b>211.39</b>	<b>-</b>

5.3 Balance in fixed deposit is provided as an additional security with bank for term loan.



## Notes to the Standalone Financial Statements

### 6. Other non-current assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, considered good</b>		
Capital advances	104.84	66.22
<b>Total</b>	<b>104.84</b>	<b>66.22</b>

### 7. Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Raw materials	7,580.54	9,731.97
(ii) Finished goods	163.96	305.74
(iii) Stores and spares	506.65	375.14
<b>Total</b>	<b>8,251.15</b>	<b>10,412.85</b>
<b>Included above, goods in transit</b>		
(i) Raw materials	-	161.72
	-	161.72
<b>[Basis of valuation refer note 2.5 (I)]</b>		

7.1 For Inventories hypothecation as security to bank for working capital loan and term loan (refer note no 16.1 and 18.1)

### 8. Trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	145.69	819.33
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Loss allowance for doubtful receivables	1.72	2.18
<b>Total trade receivables</b>	<b>143.97</b>	<b>817.15</b>

## Notes to the Standalone Financial Statements

### Trade receivables ageing schedule

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of payment as on March 31, 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Considered good	-	143.04	2.65	-	-	-	145.69
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	1.58	0.14	-	-	-	1.72
<b>Total</b>	-	<b>141.46</b>	<b>2.51</b>	-	-	-	<b>143.97</b>

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of payment as on March 31, 2021					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Considered good	623.75	195.58	-	-	-	-	819.33
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	2.18	-	-	-	-	2.18
<b>Total</b>	<b>623.75</b>	<b>193.40</b>	-	-	-	-	<b>817.15</b>

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Balance at the beginning of the period</b>	2.18	41.96
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	(0.46)	(39.78)
<b>Balance at the end of the period</b>	<b>1.72</b>	<b>2.18</b>

## Notes to the Standalone Financial Statements

8.2 There are no outstanding debts due from directors or other officers of the Company.

### 9. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash on hand	2.02	2.21
Balances with banks		
-In current accounts	4.16	19.04
-In deposit account (maturing within 3 months)	1.00	1,055.67
<b>Total</b>	<b>7.18</b>	<b>1,076.92</b>

9.1 Balances in current accounts include earmarked balances with banks as unspent CSR amount. Balance in fixed deposits is pledged with bank as margin money for letter of credit/bank guarantee.

### 10. Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
In fixed deposits account (maturing above 3 months but less than 12 months)	226.50	46.13
<b>Total</b>	<b>226.50</b>	<b>46.13</b>

10.1 Balance in fixed deposits is pledged with bank as margin money for letter of credit/bank guarantee and includes earmarked fixed deposit with banks as unspent CSR amount.

### 11. Other financial assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, considered good</b>		
Security deposits	82.07	86.66
<b>Total</b>	<b>82.07</b>	<b>86.66</b>

### 12. Other current assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Government authorities	2,927.08	1,835.05
Prepaid expenses	9.29	13.94
Advances to suppliers (against supply of goods or services)	5,996.63	8,225.76
<b>Total</b>	<b>8,933.00</b>	<b>10,074.75</b>

### 13. Assets held for sale

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Assets held for sale	468.92	-
<b>Total</b>	<b>468.92</b>	<b>-</b>

## Notes to the Standalone Financial Statements

### 14. Equity share capital

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised:</b>		
<b>Equity Share Capital</b>		
12,50,00,000 equity shares of Rs. 2/- each	2,500.00	2,500.00
<b>Preference Share Capital</b>		
7,50,00,000 preference shares of Rs. 10/- each	7,500.00	7,500.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
3,54,96,000 equity shares of Rs. 2/- each	709.92	709.92

14.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at 31.03.2022		As at 31.03.2021	
	No of shares	Rs. in Lakhs	No of shares	Rs. in Lakhs
Opening balance	3,54,96,000	709.92	3,54,96,000	709.92
Increase in number of shares	-	-	-	-
<b>Closing balance</b>	<b>3,54,96,000</b>	<b>709.92</b>	<b>3,54,96,000</b>	<b>709.92</b>

14.2 Shares held by promoters

Promoter's name	As at 31.03.2022			As at 31.03.2021		
	No. of shares of Rs. 2/- each	% of total shares	% Change during the year	No. of shares of Rs. 2/- each	% of total shares	% Change during the year
<b>Equity shares</b>						
Karni Syntex Pvt. Ltd.	2,24,56,102	63.26	2.27	2,16,47,964	60.99	2.71
Radhey Shyam Jalan	5,13,475	1.45	0.00	5,13,475	1.45	0.37
<b>Total shares held by promoters at the end of the year</b>	<b>2,29,69,577</b>	<b>64.71</b>	<b>2.27</b>	<b>2,21,61,439</b>	<b>62.44</b>	<b>3.08</b>

14.3 Shares held by holding Company

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares of Rs. 2/- each	% of total shares	No. of shares of Rs. 2/- each	% of total shares
<b>Equity shares</b>				
Karni Syntex Pvt. Ltd.	2,24,56,102	63.26	2,16,47,964	60.99

## Notes to the Standalone Financial Statements

14.4 List of shareholders holding more than 5 percent shares in the Company :

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares of Rs. 2/- each	% of total shares	No. of shares of Rs. 2/- each	% of total shares
<b>Equity shares</b>				
i) Karni Syntex Pvt. Ltd.	2,24,56,102	63.26	2,16,47,964	60.99
ii) Flamingo Overseas Pvt. Ltd.	30,00,000	8.45	30,00,000	8.45
iii) Delight Grih Nirman Pvt. Ltd.	18,00,000	5.07	-	-

14.5 Rights, preferences and restrictions attached to shares

The equity shares of the company have par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. All these equity shares have same right with respect to payment of dividend, repayment of capital and voting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

### 15. Other equity

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Equity component of compound financial instruments	-	1,230.15
Capital redemption reserve	4,810.00	300.00
Securities premium	1,973.88	1,973.88
Retained earnings	8,439.78	7,851.82
<b>Total</b>	<b>15,223.66</b>	<b>11,355.85</b>

15.1 Equity component of compound financial instruments (7% redeemable non-cumulative preference shares)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	1,230.15	1,230.15
Less: Transferred to retained earnings	(1,230.15)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,230.15</b>

15.2 Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	300.00	300.00
Add: Addition during the year	4,510.00	-
<b>Balance at the end of the year</b>	<b>4,810.00</b>	<b>300.00</b>

15.2.1 Capital redemption reserve represents the reserve created against the redemption of 8% redeemable cumulative preference shares of Rs. 10/- each, amounting to Rs. 3 Crores during the FY 2005-06, 7% redeemable non-cumulative preference shares of Rs. 10/- each at par aggregating to Rs. 45.10 Crores during the FY 2021-22. It is a statutory, non-distributable reserve into which amounts are transferred following the redemption of shares as per the relevant provisions of the Companies Act 2013.

## Notes to the Standalone Financial Statements

### 15.3 Securities premium

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	1,973.88	1,973.88
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,973.88</b>	<b>1,973.88</b>

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

### 15.4 Retained earnings

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	7,851.82	6,798.38
Less: Transferred to capital redemption reserve	(4,510.00)	-
Add: Transferred from equity component of compound financial instruments	1,230.15	-
Add: Profit after tax for the year	3,864.80	1,046.68
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	3.01	6.76
<b>Balance at the end of the year</b>	<b>8,439.78</b>	<b>7,851.82</b>

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

## 16. Borrowings

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
<b>Secured</b>		
Term loan from banks	2,250.00	504.44
Vehicle loans	81.57	45.37
<b>Total secured borrowings</b>	<b>2,331.57</b>	<b>549.81</b>
<b>Unsecured</b>		
7% Redeemable non-cumulative preference shares of Rs. 10 each fully paid up	-	3,687.69
Other loans (inter corporate deposits)	1,550.00	2,050.00
<b>Total unsecured borrowings</b>	<b>1,550.00</b>	<b>5,737.69</b>
<b>Total</b>	<b>3,881.57</b>	<b>6,287.50</b>

16.1 Term loan carries an interest rate at 0.30% p.a (spread) over and above 3 months MCLR and will be repaid in 20 quarterly installments till 31.03.2027. The term loan from bank is secured by way of first charge on entire movable and immovable fixed assets of the company, corporate guarantee of promoter Company, personal guarantee of promoter director. It is also secured by way of second pari-passu charge on stocks and book debts (both present and future). Other loans carries interest rate of 12% p.a.

16.2 Vehicle loans are secured by hypothecation of vehicles purchased under the respective agreements. Interest rate varies from 6.90% to 10.07% p.a, repayable in equated monthly instalments.

## Notes to the Standalone Financial Statements

16.3 As approved by the Board of the Company in its meeting held on dated November 9, 2021, the Company has redeemed 4,51,00,000, 7% redeemable non-cumulative preference shares of Rs. 10/- each at par aggregating to Rs. 45.10 Crores out of the accumulated profit available for dividend as per the provisions of Section 55 of the Companies Act, 2013.

### 17. Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Post-employment defined benefits		
-Retirement gratuity	149.58	134.73
Other employee benefits	30.86	27.54
Provision for corporate social responsibility	108.53	-
<b>Total</b>	<b>288.97</b>	<b>162.27</b>

### 18. Borrowings

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Secured</b>		
Working capital loans	10,935.38	4,888.19
	<b>10,935.38</b>	<b>4,888.19</b>
<b>Current maturities of:</b>		
<b>Secured</b>		
Term loan	750.00	1,858.38
Vehicle loan	38.66	19.92
	<b>788.66</b>	<b>1,878.30</b>
<b>Total</b>	<b>11,724.04</b>	<b>6,766.49</b>

18.1 The working capital loans from banks are secured by way of 1st pari-passu charge on entire current assets ( both present and future), 2nd pari-passu charge on all movable and immovable fixed assets of the company, corporate guarantee of promoter company and personal guarantee of the promoter director.

### 19. Trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
MSME	39.01	-
Others	1,097.79	6,049.56
Disputed dues-MSME	-	-
Disputed dues- Others	-	-
<b>Total</b>	<b>1,136.80</b>	<b>6,049.56</b>

## Notes to the Standalone Financial Statements

19.1 Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 (as amended) (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
1. Principal amount outstanding	39.01	-
2. Principal amount due and remaining unpaid	-	-
3. Interest due on (2) above and the unpaid interest	-	-
4. Interest paid on all delayed payments under MSMED Act	-	-
5. Payments made beyond the appointed day during the year	-	-
6. Interest due and payable for the period of delay other than (4) above	-	-
7. Interest accrued and remaining unpaid	-	-
8. Amount of further interest remaining due and payable in succeeding years	-	-

**Note:** The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 19.2 Ageing of trade payables

Undisputed trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	MSME	Others	MSME	Others
Outstanding for the following periods from due date of payment				
Unbilled due	-	32.83	-	111.34
Not due	20.14	670.57	-	1,401.08
Upto 1 year	18.87	334.83	-	4,459.82
1-2 years	-	13.29	-	31.98
2-3 years	-	4.41	-	10.00
More than 3 years	-	41.86	-	35.34
<b>Total</b>	39.01	1,097.79	-	6,049.56

Disputed trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	MSME	Others	MSME	Others
Outstanding for the following periods from due date of payment				
Unbilled due	-	-	-	-
Not due	-	-	-	-
Upto 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

19.3 There are no micro, small and medium class enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31.03.2022. The above information regarding micro, small and medium class enterprises has been determined to the extent such parties have been identified on the basis of available information with the company.



## Notes to the Standalone Financial Statements

### 20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Interest payable on borrowings	177.08	294.03
<b>Total</b>	<b>177.08</b>	<b>294.03</b>

### 21. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory dues	68.30	910.35
Advance from customers	455.48	5,387.83
Payable to employees	51.79	58.76
<b>Total</b>	<b>575.57</b>	<b>6,356.94</b>

### 22. Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Provision for taxation	3,129.90	1,979.43
Post-employment defined benefits		
-Retirement gratuity	14.43	17.60
Other employee benefits	2.37	2.63
<b>Total</b>	<b>3,146.70</b>	<b>1,999.66</b>

### 23. Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Sale of goods:		
-Pig iron	42,945.06	48,864.39
-Coke and coal	7,037.30	3,459.30
-Others	928.75	2,356.48
Sale of services:		
-Job work income	474.27	381.84
<b>Total</b>	<b>51,385.38</b>	<b>55,062.01</b>

## Notes to the Standalone Financial Statements

### 24. Other income

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest income	1,995.29	479.40
Lease rental	54.00	54.00
Sundry liabilities relating to earlier years written back	270.45	32.89
Impairment allowance for doubtful debts written back	0.46	39.78
Foreign exchange fluctuation gain	60.95	50.38
Duty drawback	59.81	-
Other miscellaneous income	0.81	-
<b>Total</b>	<b>2,441.77</b>	<b>656.45</b>

### 25. Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Raw materials consumed		
Opening stock	9,731.97	12,985.35
Add: Purchases	30,917.57	41,180.79
	<b>40,649.54</b>	<b>54,166.14</b>
Less: Transfer to stock-in-trade from opening stock	1,438.45	-
Less: closing stock	7,580.54	9,731.97
<b>Total raw material consumed</b>	<b>31,630.55</b>	<b>44,434.17</b>

### 26. Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Coke and coal	5,431.64	2,599.80
Add: Transfer from raw material (opening stock)	1,438.45	-
Others	672.90	602.00
<b>Total</b>	<b>7,542.99</b>	<b>3,201.80</b>

### 27. Changes in inventories of finished goods

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Closing stock of finished goods	163.96	305.74
Opening stock of finished goods	305.74	389.92
<b>(Increase)/decrease in inventories</b>	<b>141.78</b>	<b>84.18</b>

## Notes to the Standalone Financial Statements

### 28. Employee benefit expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries, wages , labour charges, bonus etc	1,864.84	1,499.47
Contribution to provident and other funds	138.17	109.99
Staff welfare expenses	22.98	20.26
<b>Total</b>	<b>2,025.99</b>	<b>1,629.72</b>

### 29. Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest expense:		
-Interest on borrowings	877.39	709.26
-Interest on preference shares	822.31	241.25
-Interest on others	6.27	5.01
Other borrowing cost	190.36	75.21
<b>Total</b>	<b>1,896.33</b>	<b>1,030.73</b>

29.1 Other borrowing cost includes processing fees for working capital loan.

### 30. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Depreciation on property, plant and equipment as per note 3	1,177.67	890.23
Depreciation on right-of-use assets as per note 4	3.74	3.74
<b>Total</b>	<b>1,181.41</b>	<b>893.97</b>

### 31. Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Consumption of stores and spares	1,152.34	1,048.08
Power and fuel	1,198.76	1,018.35
Rent	9.85	9.02
Repairs to machinery	96.96	244.80
Insurance	16.32	17.02
Rates and taxes	68.96	163.84
Carriage outwards	16.72	17.18
Export of goods	416.53	-
Commission on sales	8.49	28.44
Corporate social responsibility expenses ( refer note 40)	136.00	29.78
Loss on disposal of property, plant and equipment	11.20	2.11

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Auditors remuneration		
i) To statutory auditors for:		
-Statutory audit fees	5.00	5.00
-Tax audit fees	1.00	1.00
-Limited review and certification	1.50	2.20
ii) To cost auditor for :		
-Cost audit fees (includes reimbursement of expenses)	0.35	0.35
Miscellaneous expenses	505.80	389.49
<b>Total</b>	<b>3,645.78</b>	<b>2,976.66</b>

### 32. Income tax expense

(₹ in Lakhs)

#### 32.1 Income tax recognised in profit and loss

Particulars	As at 31.03.2022	As at 31.03.2021
<b>a) Current tax expense</b>		
Current year	1,150.47	302.14
<b>b) Deferred tax expense</b>		
Origination and reversal of temporary differences and mat credit entitlement	747.05	118.41
<b>Total Income tax expense</b>	<b>1,897.52</b>	<b>420.55</b>

#### 32.2 Income tax recognised in OCI

Particulars	As at 31.03.2022	As at 31.03.2021
Remeasurements of defined benefit plans	(1.62)	(3.63)
<b>Total income tax expense relating to OCI items</b>	<b>(1.62)</b>	<b>(3.63)</b>

#### 32.3 Deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Liabilities</b>		
Difference between book and tax depreciation	2,787.54	2,457.33
Related to preference shares	-	281.64
<b>Total deferred tax liabilities</b>	<b>2,787.54</b>	<b>2,738.97</b>
<b>Assets</b>		
Provision for employee benefits	68.93	63.77
Allowance for doubtful debts	0.60	0.76
Mat credit entitlement	402.45	1,107.55
<b>Total deferred tax assets</b>	<b>471.98</b>	<b>1,172.08</b>
<b>Net deferred tax liabilities</b>	<b>2,315.56</b>	<b>1,566.89</b>

## Notes to the Standalone Financial Statements

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Opening balance</b>	<b>1,566.89</b>	<b>1,444.85</b>
Deferred tax expenses recognised in statement of profit and loss	747.05	118.41
Deferred tax recognised on other comprehensive income	1.62	3.63
<b>Closing balance</b>	<b>2,315.56</b>	<b>1,566.89</b>

(₹ in Lakhs)

Deferred tax liabilities (Net)	As at 31.03.2021	Charge/ (Credit) to the Statement of Profit and Loss	Recognised in/reclassified from other comprehensive income	As at 31.03.2022
<b>Deferred tax liabilities</b>				
Difference between book and tax depreciation	2,457.33	330.21	-	2,787.54
Preference Shares	281.64	(281.64)	-	-
<b>TOTAL</b>	<b>2,738.97</b>	<b>48.57</b>	<b>-</b>	<b>2,787.54</b>
<b>Deferred tax assets</b>				
Provision for employee benefits	63.77	6.78	(1.62)	68.93
Allowance for doubtful debts (excepted credit loss allowance)	0.76	(0.16)		0.60
Mat credit entitlement	1,107.55	(705.10)		402.45
<b>Total</b>	<b>1,172.08</b>	<b>(698.48)</b>	<b>(1.62)</b>	<b>471.98</b>
<b>Deferred tax liabilities (Net)</b>	<b>1,566.89</b>	<b>747.05</b>	<b>1.62</b>	<b>2,315.56</b>

### 33. Earnings per share (EPS)

Computation of Earnings per share

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Face value of equity shares (in Rs.)	2	2
Weighted average number of equity shares used for computing earning per share (basic & diluted) (in numbers)	3,54,96,000	3,54,96,000
Profit attributable to equity share holders ( Rs. in Lakhs)	3,864.80	1,046.68
<b>Earnings per share (basic and diluted) (in Rs.)</b>	<b>10.89</b>	<b>2.95</b>

### 34. Commitments and contingencies

#### 34.1 Capital commitments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advances)	783.81	1,156.69

## Notes to the Standalone Financial Statements

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Disputed liabilities</b>		
Excise duty matters (Amount paid under protest Rs. 1.43 Lakhs, Previous Year Rs. 1.43 Lakhs)	14.34	14.34
Jharkhand entry tax matters (Amount paid under protest Rs. Nil, Previous Year Rs. 81.75 Lakhs)	-	81.75
<b>Guarantees</b>		
Bank guarantees	275.46	253.91

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

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

### 35. Segment reporting

The Company is predominantly engaged in a single reportable segment of Iron & Steel during the year. The risks and returns of manufacturing of pig iron and trading of its raw material are directly associated with Iron & Steel business and hence treated as single reportable business segment. The Company is operating within India only and hence India is the only geographical segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

#### Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Within India	47,154.76	55,062.01
Outside India	4,230.62	-
<b>Total</b>	<b>51,385.38</b>	<b>55,062.01</b>

### 36. Related party transactions

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

Name of related party	Nature of relationship
Karni Syntex Pvt. Ltd.	Holding company
KIC Minerals Private Limited	Refer note 36.2
Key managerial personnel	
-Mr. Radhey Shyam Jalan	Chairman & Managing Director
-Mrs. Manjula Poddar	Independent Director
-Mrs. Ishita Bose	Independent Director
-Mr. Laxmi Naryan Sharma	Independent Director

## Notes to the Standalone Financial Statements

Name of related party	Nature of relationship
-Mr. Rajarshi Ghosh	Independent Director (resigned w.e.f 06.08.2021)
-Mr. Kanhaiyalal Didwania	Non Executive and Non Independent Director
-Mr. Mukesh Bengani	Director (Finance) and Chief Financial Officer
-Mrs. Ruchika Fogla	Company Secretary

36.2 On March 1, 2022, Mr. Radhey Shyam Jalan acquired 99.99 % share of M/s. KIC Minerals Private Limited after it ceased to be wholly owned subsidiary of K I C Metaliks Limited. Hence it continues to be a related party as Mr. Radhey Shyam Jalan is a director and member in KIC Minerals Private Limited.

36.3 Transactions during the year (₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
With Key managerial personnel		
-Director's remuneration	109.52	102.73
-Other KMP's remuneration	2.95	7.06
-Other benefits paid	1.90	0.70

### 37. Employee benefits

#### 37.1 Defined contribution plans

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

##### Provident fund

In accordance with Indian law, eligible employees of K I C Metaliks Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). During the year, the company has recognised Rs. 106.54 lakhs (2020-21: Rs. 83.78 lakhs) as contribution in the Statement of profit and loss.

##### Employees' state insurance

In accordance with Indian law, eligible employees of K I C Metaliks Limited are entitled to receive benefits in respect of employee's state insurance, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 4.75% of employees' salary). During the year, the company has recognised Rs.31.63 lakhs (2020-21: Rs. 26.21 lakhs) as contribution in the Statement of profit and loss.

#### 37.2 Defined benefit plans

##### Gratuity

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

## Notes to the Standalone Financial Statements

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2022 by Kushwant Pahwa, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows: (₹ in Lakhs)

Particulars	Valuation as at	
	As at 31.03.2022	As at 31.03.2021
Discount rate(s)	7.30%	6.90%
Rate of increase in salaries	5.00%	5.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14
Normal retirement age	58 years	58 years
Attrition Rate	2.00%	2.00%

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Current service cost	17.15	16.27
Net interest income/ (cost) on the net defined benefit liability (asset)	10.51	9.71
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>27.66</b>	<b>25.98</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(5.22)	(3.79)
Actuarial (gains)/losses arising from experience variance (i.e. actual experience vs assumptions)	0.59	(6.60)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(4.63)</b>	<b>(10.39)</b>
<b>Total</b>	<b>23.03</b>	<b>15.59</b>



## Notes to the Standalone Financial Statements

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

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

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of funded defined benefit obligation	164.01	152.33
Fair value of plan assets	-	-
<b>Funded status [Surplus/(deficit)]</b>	<b>(164.01)</b>	<b>(152.33)</b>
Unrecognised past service costs	-	-
<b>Net asset/ (liability) arising from defined benefit obligation</b>	<b>(164.01)</b>	<b>(152.33)</b>

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Opening defined benefit obligations	152.33	147.15
Current service cost	17.15	16.27
Interest cost	10.51	9.71
Remeasurement (gains)/losses:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(5.22)	(3.79)
Actuarial (gains)/losses arising from experience assumptions	0.59	(6.60)
Past service cost, including losses /(gains) on curtailment	-	-
Acquisition credit cost	-	-
Benefits paid	(11.35)	(10.41)
<b>Closing defined benefit obligation</b>	<b>164.01</b>	<b>152.33</b>

### Sensitivity analysis of significant assumptions

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Discount rate</b>		
+1.00% discount rate	152.13	140.77
- 1.00% discount rate	177.63	165.65
<b>Salary escalation</b>		
+ 1.00% salary escalation	178.21	166.13
- 1.00% salary escalation	151.44	140.16

## Notes to the Standalone Financial Statements

(₹ in Lakhs)

<b>Attrition rate</b>		
+ 50% withdrawal rate	165.96	153.89
- 50% withdrawal rate	161.82	150.57
<b>Mortality rate</b>		
+ 10.0% mortality rate	164.38	152.62
- 10.0% mortality rate	163.63	152.03

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

Particulars	As at 31.03.2022	As at 31.03.2021
1st year	14.43	17.60
2 to 5 years	64.98	56.41
6 to 10 years	81.76	66.85
More than 10 years	173.89	166.07

### Details of plan assets

The scheme is unfunded.

Weighted average duration (based on discounted cashflow) of the defined benefit plan obligation at the end of the reporting period is 8 years.

## 38. Financial instruments

(₹ in Lakhs)

### 38.1 Categories of financial instruments

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets</b>		
(i) Measured at amortised cost		
(a) Trade receivables	143.97	817.15
(b) Cash and bank balances	233.68	1,123.05
(c) Other financial assets	293.46	86.66
(ii) Measured at cost		
(a) Investment in subsidiary Company	-	5.00
<b>Sub-total</b>	<b>671.11</b>	<b>2,031.86</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	15,605.61	13,053.99
(b) Trade payables	1,136.80	6,049.56
(c) Other financial liabilities	177.08	294.03
<b>Sub-total</b>	<b>16,919.49</b>	<b>19,397.58</b>

## Notes to the Standalone Financial Statements

### 38.2 Capital management

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

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

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

The gearing ratio of the Company is as follows :-

Particulars	As at 31.03.2022	As at 31.03.2021
i) Equity share capital	709.92	709.92
ii) Other equity	15,223.66	11,355.85
<b>Total capital (a)</b>	<b>15,933.58</b>	<b>12,065.77</b>
i) Current borrowings	11,724.04	6,766.49
ii) Non-current borrowings	3,881.57	6,287.50
<b>Total debt (b)</b>	<b>15,605.61</b>	<b>13,053.99</b>
Less: Cash and cash equivalents	7.18	1,076.92
<b>Net debt (c)</b>	<b>15,598.43</b>	<b>11,977.07</b>
<b>Capital and net debt (a+ c)</b>	<b>31,532.01</b>	<b>24,042.84</b>
<b>Gearing ratio</b>	<b>0.49</b>	<b>0.50</b>

### 39. Financial risk management

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

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

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

## Notes to the Standalone Financial Statements

### 39.1 Risk management framework

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

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

#### 39.1.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

#### 39.1.2 Liquidity risk

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

#### 39.1.3 Market Risk

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

##### i) Foreign currency risk

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

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

Unhedged Foreign currency exposure as at March 31, 2022	Currency	Amount in FC (In \$)	Amount (₹ in Lakhs)
Trade Payables	USD	1.80	136.45

Unhedged Foreign currency exposure as at March 31, 2021	Currency	Amount in FC (In \$)	Amount (₹ in Lakhs)
Trade Payables	USD	53.77	3,952.28

## Notes to the Standalone Financial Statements

Foreign currency sensitivity

2 % increase or decrease in foreign exchange rates will have the following impact on profit before tax : (₹ in Lakhs)

Particulars	2021-22		2020-21	
	2% Increase - Loss	2% Decrease - Profit	2% Increase - Loss	2% Decrease - Profit
USD	(2.73)	2.73	(79.05)	79.05
Increase / (decrease) in profit before tax	(2.73)	2.73	(79.05)	79.05

### ii) Interest rate risk

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

## 40. Corporate Social Responsibility Expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Amount required to be spent by the company during the year	55.71	58.17
Amount of expenditure incurred		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	1.97	29.78
Shortfall at the end of the year	53.74	28.39
Total of previous years shortfall	54.78	51.89

## Notes to the Standalone Financial Statements

Reason for shortfall	The shortfall amount could not be spent as the Company has chosen long term projects. The aforesaid unspent amount has been transferred to separate CSR unspent account for the on-going projects of the Company in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.	The shortfall amount could not be spent as the Company has chosen long term projects. The aforesaid unspent amount has been transferred to separate CSR unspent account for the on-going projects of the Company in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.
Nature of CSR activities	Promoting health & safety and sports.	Promoting education, safe drinking water, health and safety and sports.
<b>Provision for liability for the unspent amount</b>	<b>108.52</b>	-

As on March 31, 2022 the Company needs to transfer Rs. 53.74 Lakhs to unspent CSR Account as per Section 135(6) of the Companies Act, 2013. On April 30, 2022 the Company transferred the said amount to the unspent CSR Account.

## Notes to the Standalone Financial Statements

### 41. The ratios as per the latest amendment to schedule III are as below :

(₹ in Lakhs)

Ratio	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021
<b>i)</b> Current ratio (In times)	Current assets	Current liabilities	1.13	1.05
<b>ii)</b> Debt-equity ratio (In times)	Total borrowings (i.e Non-current borrowings+ Current borrowing)	Total equity	0.98	1.08
<b>iii)</b> Debt service coverage ratio (in times)	Profit before tax + Depreciation and amortisation expenses + interest on term loans	Interest on term loans + Scheduled principal repayments of term loans(i.e. excluding prepayments and refinancing of debts) during the year	2.85	2.04
<b>iv)</b> Return on equity ratio	Net Profit after taxes	Average networth	28%	9.07%
<b>v)</b> Inventory turnover ratio (in days)	Average inventory	Revenue from operations	66.29	80.03
<b>vi)</b> Trade receivables turnover ratio (in days)	Average trade receivables	Revenue from operations	3.41	5.33
<b>vii)</b> Trade payables turnover ratio (in days)	Average trade payables	Cost of goods sold	34.65	65.97
<b>viii)</b> Net capital turnover (in times)	Revenue from operations	Working Capital	37.99	52.55
<b>ix)</b> Net profit margin (%)	Net profit after tax	Total income	7.18%	1.88%
<b>x)</b> Return on capital employed	Earning before finance cost and taxes	Capital employed = Net worth + Total debt + Deferred tax liability	22.62%	9.36%

**41.1** Variation in coverage, turnover and other profitability ratios is primarily due to increase in profitability during the year ended March 31, 2022

### 42. Other statutory information

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

## Notes to the Standalone Financial Statements

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- x) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- xi) The Company does not have any transactions with companies which are struck off.
- xii) The Company has not given any loans or advances to promoters, directors, KMPs and related parties ( as defined under Companies Act, 2013), either severally or jointly with any other person.

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

In terms of our report of even date attached  
For **B. N. Agrawal & Co.**  
Chartered Accountants  
Firm Registration No. 320312E

**Anshu Agarwal**  
Partner  
Membership No. 314802  
Place : Kolkata  
Dated : May 26, 2022

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

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**  
Chairman and Managing Director  
(DIN: 00578800)



## Independent Auditor's Report

To the Members of  
**K I C Metaliks Limited**

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

#### Opinion

We have audited the accompanying consolidated financial statements of **K I C Metaliks Limited** (hereinafter referred to as the "Holding Company") and its wholly owned subsidiary (together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

The Holding Company's management and Board of Directors are responsible for the other information. The Other information comprises the information included the consolidated financial statements and our auditors report thereon.

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

## Independent Auditor's Report

accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the Holding Company and such other entities included in

## Independent Auditor's Report

the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

The Company sold its 100% investment on 01.03.2022 in its wholly owned subsidiary KIC Minerals Pvt. Ltd. and this transaction did not have a significant impact on the financial results of the company.

### Report on Other Legal and Regulatory Requirements

As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by us in CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

As required by Section 143(3) of the Act, we report, to the extent applicable, that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure".
- (g) The Holding Company and its subsidiary company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

## Independent Auditor's Report

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
  - iv. (a) The respective Managements of the Holding Company and its subsidiary whose financial statements have been audited under the Act, have represented to us, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39(iii) to the consolidated financial statements).
  - (b) The respective Managements of the Holding Company and its subsidiary no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39(iii) to the consolidated financial statements); and
  - (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules contain any material misstatement.
- (i) No Dividend has been declared and paid during the year by the Holding Company in compliance with Section 123 of the Act.

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

**Anshu Agarwal**  
Partner

Membership No. 314802  
UDIN: 22314802AKQCSA9107

Place : Kolkata  
Date : May 26, 2022

## Annexure to the Independent Auditor's Report

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

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the **K I C Metaliks Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Group under the Companies Act, 2013 which are its subsidiary Companies, as of that date.

In our opinion, the Holding Company and such company incorporated in India which are its subsidiary company, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such Companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

## Annexure to the Independent Auditor's Report

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

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

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

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

### Other Matters

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

For **B. N. Agrawal & CO.**

*Chartered Accountants*

Firm Reg. No. 320312E

**Anshu Agarwal**

*Partner*

Membership No. 314802

Place : Kolkata

Date : May 26, 2022

**Consolidated Balance Sheet** as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>Assets</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	4	17,017.57	18,760.43
(b) Capital work-in-progress	4	3,630.21	96.19
(c) Right-of-use assets	5	103.07	106.81
(d) Financial assets			
(i) Other financial assets	6	211.39	-
(e) Other non-current assets	7	104.84	66.22
<b>Total non-current assets</b>		<b>21,067.08</b>	<b>19,029.65</b>
<b>II Current assets</b>			
(a) Inventories	8	8,251.15	10,412.85
(b) Financial assets			
(i) Trade receivables	9	143.97	817.15
(ii) Cash and cash equivalents	10	7.18	1,077.59
(iii) Bank balances other than (ii) above	11	226.50	48.13
(iv) Others financial assets	12	82.07	86.66
(c) Other current assets	13	8,933.00	10,074.75
(d) Assets held for sale	14	468.92	-
<b>Total current assets</b>		<b>18,112.79</b>	<b>22,517.13</b>
<b>Total assets</b>		<b>39,179.87</b>	<b>41,546.78</b>
<b>Equity and liabilities</b>			
<b>III Equity</b>			
(a) Equity share capital	15	709.92	709.92
(b) Other equity	16	15,223.66	11,353.29
<b>Total equity</b>		<b>15,933.58</b>	<b>12,063.21</b>
<b>IV Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	3,881.57	6,287.50
(b) Provisions	18	288.97	162.27
(c) Deferred tax liabilities (Net)	33	2,315.56	1,566.89
<b>Total non-current liabilities</b>		<b>6,486.10</b>	<b>8,016.66</b>
<b>V Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	11,724.04	6,766.49
(ii) Trade payables :			
: Dues of micro and small enterprises	20	39.01	-
: Dues of creditors other than micro and small enterprises		1,097.79	6,049.79
(iii) Other financial liabilities	21	177.08	294.03
(b) Others current liabilities	22	575.57	6,356.94
(c) Provisions	23	3,146.70	1,999.66
<b>Total current liabilities</b>		<b>16,760.19</b>	<b>21,466.91</b>
<b>Total equity and liabilities</b>		<b>39,179.87</b>	<b>41,546.78</b>

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached  
For **B. N. Agrawal & Co.**  
Chartered Accountants  
Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

**R. Fogla**  
Company Secretary  
(ACS : 23339)

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

## Consolidated Statement of Profit and Loss for the year ended March 31, 2022 (₹ in Lakhs)

	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
I	Revenue from operations	24	51,385.38	55,062.01
II	Other income	25	2,444.49	656.45
<b>III</b>	<b>Total income ( I+II)</b>		<b>53,829.87</b>	<b>55,718.46</b>
<b>IV</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	26	31,630.55	44,434.17
	(b) Purchase of stock-in-trade	27	7,542.99	3,201.80
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	141.78	84.18
	(d) Employee benefit expense	29	2,025.99	1,629.72
	(e) Finance costs	30	1,896.33	1,030.78
	(f) Depreciation and amortization expense	31	1,181.41	893.97
	(g) Other expenses	32	3,645.94	2,976.79
	<b>Total expenses</b>		<b>48,064.99</b>	<b>54,251.41</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>5,764.88</b>	<b>1,467.05</b>
<b>VI</b>	<b>Tax expense</b>			
	(a) Current tax	33	1,150.47	302.14
	(b) Deferred tax	33	747.05	118.41
	<b>Total tax expenses</b>		<b>1,897.52</b>	<b>420.55</b>
<b>VII</b>	<b>Profit after tax for the year (V-VI)</b>		<b>3,867.36</b>	<b>1,046.50</b>
<b>VIII</b>	<b>Other comprehensive income</b>			
	(a) Item that will not be reclassified to profit & loss:			
	(i) Remeasurement of retirement benefits plan		4.63	10.39
	(b) Income tax affect relating to above		(1.62)	(3.63)
	<b>Other comprehensive income (net of tax)</b>		<b>3.01</b>	<b>6.76</b>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>3,870.37</b>	<b>1,053.26</b>
X	Earnings per Equity Share of Rs 2/- each			
	-Basic ( In Rs.)	34	10.90	2.95
	-Diluted ( In Rs.)		10.90	2.95

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached  
For **B. N. Agrawal & Co.**

Chartered Accountants  
Firm Registration No. 320312E

**Anshu Agarwal**

Partner  
Membership No. 314802  
Place : Kolkata  
Dated : May 26, 2022

**R. Fogla**  
Company Secretary  
(ACS : 23339)

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)



## Consolidated Statement of Changes in Equity for the year ended March, 31 2022

### (a) Equity share capital

(₹ in lakhs)

Particulars	Amount
<b>Balance as at 31.03.2020</b>	<b>709.92</b>
Changes in equity share capital during the year	-
<b>Balance as at 31.03.2021</b>	<b>709.92</b>
Changes in equity share capital during the year	-
<b>Balance as at 31.03.2022</b>	<b>709.92</b>

### (b) Other equity

#### For the year ended March 31, 2022 :

Particulars	Equity component of compound financial instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
<b>Balance as at 01.04.2021</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>7,849.26</b>	<b>11,353.29</b>
Transferred to capital redemption reserve from retained earnings	-	4,510.00	-	(4,510.00)	-
Transferred to retained earnings from equity component of compound financial instruments	(1,230.15)	-	-	1,230.15	-
Profit for the year	-	-	-	3,867.36	3,867.36
Other comprehensive income for the year	-	-	-	3.01	3.01
<b>Balance as at 31.03.2022</b>	<b>-</b>	<b>4,810.00</b>	<b>1,973.88</b>	<b>8,439.78</b>	<b>15,223.66</b>

#### For the year ended March 31, 2021 :

Particulars	Equity component of compound financial instruments	Reserves and surplus			Total
		Capital redemption reserve	Securities premium	Retained earnings	
<b>Balance as at 01.04.2020</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>6,796.00</b>	<b>10,300.03</b>
Profit for the year	-	-	-	1,046.50	1,046.50
Other comprehensive income for the year	-	-	-	6.76	6.76
<b>Balance as at 31.03.2021</b>	<b>1,230.15</b>	<b>300.00</b>	<b>1,973.88</b>	<b>7,849.26</b>	<b>11,353.29</b>

See accompanying notes to the consolidated financial statements.

In terms of our report of even date attached

For **B. N. Agrawal & Co.**

Chartered Accountants

Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

**R. Fogla**  
Company Secretary  
(ACS : 23339)

**M. Bengani**  
Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**  
Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

**Consolidated Cash Flow Statement** for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Cash flow from operating activities</b>		
Profit before tax	5,764.88	1,467.05
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,181.41	893.97
Finance costs	1,896.33	1,030.78
Interest income	(1,995.29)	(479.40)
Sundry liabilities relating to earlier years written back	(270.45)	(32.89)
Impairment allowance for doubtful debts written back	(0.46)	(39.78)
Loss/(profit) on disposal of Investment	(2.72)	
Loss/(profit) on disposal of property, plant & equipment	11.20	2.11
<b>Operating profit before working capital changes</b>	<b>6,584.90</b>	<b>2,841.84</b>
Adjustments for:		
(Increase) / decrease in trade receivables	673.64	13.42
(Increase) / decrease in inventories	2,161.70	3,320.20
(Increase) / decrease in other current financial assets	(173.78)	121.55
(Increase) / decrease in other current assets	1,141.75	(4,656.86)
Increase / (decrease) in trade payables	(4,642.54)	(5,761.16)
Increase / (decrease) in current financial liabilities	(116.95)	1,386.88
Increase / (decrease) other current liabilities	(5,781.37)	3,936.26
Increase / (decrease) in provisions	1,278.37	319.22
<b>Operating profit after working capital changes</b>	<b>1,125.72</b>	<b>1,521.35</b>
Income tax paid	1,150.47	302.14
<b>Net cash flow generated from operating activities</b>	<b>(24.75)</b>	<b>1,219.21</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on property, plant & equipment, including capital work-in-progress and capital advances	(3,487.57)	(613.60)
Interest income received	1,995.29	479.40
Sale of investment in wholly owned subsidiary	2.72	-
Fixed deposits with banks for more than 12 months maturity	(211.39)	-
<b>Net cash flow (used in)/ generated from investing activities</b>	<b>(1,700.95)</b>	<b>(134.20)</b>
<b>Cash flow from financing activities</b>		
(Repayment)/proceedings of short term borrowings (net)	4,957.55	1,435.25
(Repayment)/proceedings of long term borrowing (net)	(3,228.24)	(1,118.08)
Finance costs paid	(1,074.02)	(789.53)
<b>Net cash flow used in financing activities</b>	<b>655.29</b>	<b>(472.36)</b>
Net increase in cash and cash equivalents	<b>(1,070.41)</b>	<b>612.65</b>
Cash and cash equivalents - opening balance	1,077.59	464.94
Cash and cash equivalents - closing balance	7.18	1,077.59

**Notes:**

Cash flow statement has been prepared under the indirect method as given in the Indian Accounting Standard (Ind AS 7) on the cash flow statement.

In terms of our report of even date attached

For **B. N. Agrawal & Co.**

Chartered Accountants

Firm Registration No. 320312E

**Anshu Agarwal**

Partner

Membership No. 314802

Place : Kolkata

Dated : May 26, 2022

**R. Fogla**

Company Secretary  
(ACS : 23339)

**M. Bengani**

Director (Finance) and CFO  
(DIN: 08892916)

**M. Poddar**

Director  
(DIN: 08158445)

For and on behalf of the Board of Directors

**R. S. Jalan**

Chairman and Managing Director  
(DIN: 00578800)

## Notes to the Consolidated Financial Statements

### 1. Corporate information

K I C Metaliks Limited (the Holding Company) is a Public Limited Company and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE).

### 2. Principles of consolidation:

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

- a) The financial statements of the holding Company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions.
- b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e March 31, 2022.
- c) The Subsidiary considered in the preparation of consolidated financial statements :

Name of the subsidiary	: KIC Minerals Private Limited
Country of incorporation	: India
Percentage of ownership Interest	: 100%

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

#### 3.1 Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

#### **Ind AS 16 | Property, plant and equipment**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

#### **Ind AS 37 | Provisions, contingent liabilities and contingent assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

#### **Ind AS 103 | Business combinations**

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

#### **Ind AS 109 | Financial instruments**

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Group is in the process of evaluating the impact of these amendments.

## Notes to the Consolidated Financial Statements

### 3.2 Statement of compliance

The Consolidated Financial Statements of the group which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India. The Consolidated Financial Statements have been approved by the Board of Directors in its meeting held on May 26, 2022.

### 3.3 Basis of preparation and presentation of financial statements

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

#### Fair Value Measurement

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

External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

#### Historical Cost Convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value :

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit plans - plan assets measured at fair value.

#### Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh (₹00,000) as per the requirement of Schedule III of the Companies Act, 2013 unless otherwise stated.

#### Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## Notes to the Consolidated Financial Statements

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading ;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current only.

### 3.4 Use of estimates

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

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

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

### 3.5. Summary of significant accounting policies

#### a. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is recognised based on the price specified in the sales order taking into account contractually defined terms of payment and net of taxes collected on behalf of the government such as goods and service tax, etc. Revenues are reduced for estimated rebates and other similar allowances.

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

#### Sale of goods

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

- (i) significant risks and rewards of ownership has been transferred to the customer;
- (ii) there is no continuing management involvement with the goods usually associated with ownership, nor effective control over the goods sold has been retained;
- (iii) the amount of revenue can be measured reliably.
- (iv) revenue from sale of services are recognised at a time on which the performance is completed.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the

## Notes to the Consolidated Financial Statements

financial asset to that asset's net carrying amount on initial recognition. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

### b. Expense recognition

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

### c. Taxes

Tax expense for the year comprises current and deferred tax.

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

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

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

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

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

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in other equity.

### d. Property, plant and equipment

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

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

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

## Notes to the Consolidated Financial Statements

### e. Depreciation of property, plant and equipment

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

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

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

Asset group	Useful life (in years)
Factory building	30
Non-factory Building	60
Plant & equipment	20-40
Captive power plant	40
Electrical installation	10
Furniture & fixtures	10
Office equipment	05
Vehicle	08-10
Computers	03

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

### f. Capital work-in-progress (CWIP)

Capital work in progress are stated at cost, net of impairment loss, if any. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

### g. Intangible assets

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

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

### h. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet. Assets once classified as held for sale are not depreciated or amortised. The gain or loss arising on the sale proceeds and the carrying amount is recognised in the statement of profit and loss.

## Notes to the Consolidated Financial Statements

### i. Impairment

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

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

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

### j. Borrowing costs

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

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

### k. Leases

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

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

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

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

### l. Inventories

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

### m. Retirement and other employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick



## Notes to the Consolidated Financial Statements

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

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

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

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

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

### n. Foreign currency translations

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

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

### o. Financial instruments

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

#### Effective interest method

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

#### i) Financial assets

##### Financial assets other than Equity Instruments at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes to the Consolidated Financial Statements

### Financial assets measured at fair value

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

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

### Equity Instruments

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

### Impairment of financial assets

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

### Derecognition of financial assets

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

## ii) Financial liabilities and equity instruments

### Classification as debt or equity

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

### Equity instruments

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

### Financial liabilities

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

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

### Derecognition of financial liabilities

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

## iii) Offsetting financial instruments

Financial assets and financial liabilities of the Group are offset and the net amount is included in the balance

## Notes to the Consolidated Financial Statements

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

### p. Cash and cash equivalents

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

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

### q. Cash flow statement

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

### r. Other bank balances

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

### s. Government grants

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

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

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

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

### t. Earnings per share

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

### u. Provision and contingencies

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

## Notes to the Consolidated Financial Statements

increase in the provision due to the passage of time is recognised as a borrowing cost. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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

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

### v. Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

#### Identification of Segments

The Group's operating business predominantly relates to manufacturing of Iron & Steel and allied products.

## Notes to the Consolidated Financial Statements

### 4. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Carrying Amounts of :</b>		
Building and Shed - Factory	1,181.40	1,243.27
Building - Other	20.12	20.55
Plant and Equipments	15,512.17	17,224.31
Furniture and Fixtures	4.36	4.92
Vehicles	161.91	112.69
Office Equipments	3.55	3.20
Computers	5.71	5.56
<b>Total (A)</b>	<b>16,889.22</b>	<b>18,614.50</b>
<b>Assets Given on Lease</b>		
Building & Shed	82.74	90.51
Plant and Equipments	45.60	55.41
Furniture and Fixtures	0.01	0.01
<b>Total (B)</b>	<b>128.35</b>	<b>145.93</b>
<b>Total (A+B)</b>	<b>17,017.57</b>	<b>18,760.43</b>
Capital Work in Progress	3,630.21	96.19
<b>Total</b>	<b>20,647.78</b>	<b>18,856.62</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Building and Shed - Factory	Building - Other	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Assets given on Lease			Total
								Building & Shed	Plant and Equipments	Furniture and Fixtures	
<b>For the FY 2021-22</b>											
<b>Gross carrying amount</b>											
<b>As at 01.04.2021</b>	1,498.37	22.70	20,807.99	9.70	190.89	8.50	21.65	129.36	110.56	0.01	22,799.73
Additions	-	-	-	-	72.36	0.93	1.73	-	-	-	75.02
Disposals	-	-	1,006.98	-	9.59	-	-	-	-	-	1,016.57
<b>As at 31.03.2022</b>	1,498.37	22.70	19,801.01	9.70	253.66	9.43	23.38	129.36	110.56	0.01	21,858.18
<b>Accumulated depreciation</b>											
<b>As at 01.04.2021</b>	255.10	2.15	3,583.68	4.78	78.20	5.30	16.09	38.85	55.15	-	4,039.30
Charge for the year	61.87	0.43	1,074.62	0.56	20.45	0.58	1.58	7.77	9.81	-	1,177.67
Disposals	-	-	369.46	-	6.90	-	-	-	-	-	376.36
<b>As at 31.03.2022</b>	316.97	2.58	4,288.84	5.34	91.75	5.88	17.67	46.62	64.96	-	4,840.61
<b>Net carrying amount as at 31.03.2022</b>	1,181.40	20.12	15,512.17	4.36	161.91	3.55	5.71	82.74	45.60	0.01	17,017.57
<b>For the FY 2020-21</b>											
<b>Gross carrying amount</b>											
<b>As at 01.04.2020</b>	1,148.13	22.70	11,961.55	9.48	148.15	8.21	18.69	129.36	110.56	0.01	13,556.84
Additions	350.24	-	8,846.44	0.22	43.64	0.68	3.78	-	-	-	9,245.00
Disposals	-	-	-	-	0.90	0.39	0.82	-	-	-	2.11
<b>As at 31.03.2021</b>	1,498.37	22.70	20,807.99	9.70	190.89	8.50	21.65	129.36	110.56	0.01	22,799.73
<b>Accumulated depreciation</b>											
<b>As at 01.04.2020</b>	203.11	1.72	2,781.71	3.72	63.00	4.78	14.61	31.08	45.34	-	3,149.07
Charge for the year	51.99	0.43	801.97	1.06	15.20	0.52	1.48	7.77	9.81	-	890.23
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2021</b>	255.10	2.15	3,583.68	4.78	78.20	5.30	16.09	38.85	55.15	-	4,039.30
<b>Net carrying amount as at 31.03.2021</b>	1,243.27	20.55	17,224.31	4.92	112.69	3.20	5.56	90.51	55.41	0.01	18,760.43

- 4.1 Property, plant and equipment includes assets pledged as security to bank for term loan and working capital loan **(Refer Note No. 17.1 and 19.1)**
- 4.2 **Refer Note No. 35.1** for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 4.3 The Capital WIP amounts to Rs. 3630.21 lakhs (previous year Rs. 96.19 Lakhs).
- 4.4 Amount of borrowing costs capitalised during the year Rs. 22.58 lakhs (previous year Rs. 322.11 Lakhs).

## Notes to the Consolidated Financial Statements

### 4.5 Capital work-in-progress ageing schedule

(₹ in Lakhs)

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31.03.2022</b>					
Projects in progress	3,534.02	51.72	44.47	-	3,630.21
Projects temporarily suspended	-	-	-	-	-
<b>As at 31.03.2021</b>					
Projects in progress	51.72	44.47	-	-	96.19
Projects temporarily suspended	-	-	-	-	-

4.6 There is no capital work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

### 5. Right-of-use assets

(₹ in Lakhs)

Particulars	Leasehold Land As at 31.03.2022	Leasehold Land As at 31.03.2021
Opening balance	106.81	110.55
Additions	-	-
Deletion	-	-
Depreciation	3.74	3.74
<b>Closing balance</b>	<b>103.07</b>	<b>106.81</b>

### 6. Financial assets

(₹ in Lakhs)

Other financial assets (non current)

Particulars	As at 31.03.2022	As at 31.03.2021
Fixed deposits with banks for more than 12 months maturity	211.39	-
<b>Total</b>	<b>211.39</b>	<b>-</b>

6.1 Balance in fixed deposit is provided as an additional security with bank for term loan.

### 7. Other non-current assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Capital advances	104.84	66.22
<b>Total</b>	<b>104.84</b>	<b>66.22</b>

## Notes to the Consolidated Financial Statements

### 8. Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Raw materials	7,580.54	9,731.97
(ii) Finished goods	163.96	305.74
(iii) Stores and spares	506.65	375.14
<b>Total</b>	<b>8,251.15</b>	<b>10,412.85</b>
<b>Included above, goods in transit</b>		
<b>(i) Raw materials</b>	<b>-</b>	<b>161.72</b>
	<b>-</b>	<b>161.72</b>
[ Basis of valuation refer note 3.5 (I) ]		

8.1 For Inventories hypothecation as security to bank for working capital loan and term loan (refer note no 17.1 and 19.1)

### 9. Trade receivables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	145.69	819.33
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Loss allowance for doubtful receivables	1.72	2.18
<b>Total trade receivables</b>	<b>143.97</b>	<b>817.15</b>

#### Trade receivables ageing schedule

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of payment as on March 31, 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Considered good	-	143.04	2.65	-	-	-	145.69
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	1.58	0.14	-	-	-	1.72
<b>Total</b>	<b>-</b>	<b>141.46</b>	<b>2.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.97</b>



## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of payment as on March 31, 2021					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
Considered good	623.75	195.58	-	-	-	-	819.33
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Less: Loss allowance for doubtful receivables	-	2.18	-	-	-	-	2.18
<b>Total</b>	<b>623.75</b>	<b>193.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>817.15</b>

9.1 Movement of Impairment Allowance for doubtful debts (Expected credit loss allowance) (₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Balance at the beginning of the period</b>	2.18	41.96
Movement in expected credit loss allowance on trade receivables (calculated at lifetime expected credit losses)	(0.46)	(39.78)
<b>Balance at the end of the period</b>	<b>1.72</b>	<b>2.18</b>

9.2 There are no outstanding debts due from directors or other officers of the Company.

### 10. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash in hand	2.02	2.24
Balances with banks		
-In current accounts	4.16	19.68
-In deposit account (maturing within 3 months)	1.00	1,055.67
<b>Total</b>	<b>7.18</b>	<b>1,077.59</b>

10.1 Balances in current accounts include earmarked balances with banks as unspent CSR amount. Balance in fixed deposits is pledged with bank as margin money for letter of credit/bank guarantee.

### 11. Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
In Fixed deposits account (maturing above 3 months but less than 12 months)	226.50	48.13
<b>Total</b>	<b>226.50</b>	<b>48.13</b>

## Notes to the Consolidated Financial Statements

11.1 Balance in fixed deposits is pledged with bank as margin money for letter of credit/bank guarantee and includes earmarked fixed deposit with banks as unspent CSR amount.

### 12. Other financial assets (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, considered good</b>		
Security deposits	82.07	86.66
<b>Total</b>	<b>82.07</b>	<b>86.66</b>

### 13. Other current assets (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance with Government authorities	2,927.08	1,835.05
Prepaid expenses	9.29	13.94
Advances to suppliers (against supply of goods or services)	5,996.63	8,225.76
<b>Total</b>	<b>8,933.00</b>	<b>10,074.75</b>

### 14. Assets held for sale (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Assets held for sale	468.92	-
<b>Total</b>	<b>468.92</b>	<b>-</b>

### 15. Equity share capital (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised:</b>		
<b>Equity Share Capital</b>		
12,50,00,000 equity shares of Rs. 2/- each	2,500.00	2,500.00
<b>Preference Share Capital</b>		
7,50,00,000 preference shares of Rs. 10/- each	7,500.00	7,500.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
3,54,96,000 equity shares of Rs. 2/- each	709.92	709.92

15.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below :

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
Opening balance	3,54,96,000	709.92	3,54,96,000	709.92
Increase in number of shares	-	-	-	-
<b>Closing balance</b>	<b>3,54,96,000</b>	<b>709.92</b>	<b>3,54,96,000</b>	<b>709.92</b>

## Notes to the Consolidated Financial Statements

### 15.2 Shares held by promoters :

Promoters Name	As at 31.03.2022			As at 31.03.2021		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
<b>Equity shares</b>						
Karni Syntex Pvt. Ltd.	2,24,56,102	63.26	2.27	2,16,47,964	60.99	2.71
Radhey Shyam Jalan	5,13,475	1.45	0.00	5,13,475	1.45	0.37
<b>Total shares held by promoters at the end of the year</b>	<b>2,29,69,577</b>	<b>64.71</b>	<b>2.27</b>	<b>2,21,61,439</b>	<b>62.44</b>	<b>3.08</b>

### 15.3 Shares held by holding company :

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares of Rs. 2/- each	% of total shares	No. of shares of Rs. 2/- each	% of total shares
<b>Equity shares</b>				
Karni Syntex Pvt. Ltd.	<b>2,24,56,102</b>	<b>63.26</b>	<b>2,16,47,964</b>	<b>60.99</b>

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares of Rs. 2/- each	% of total shares	No. of shares of Rs. 2/- each	% of total shares
<b>Equity shares</b>				
i) Karni Syntex Pvt. Ltd.	2,24,56,102	63.26	2,16,47,964	60.99
ii) Flamingo Overseas Pvt. Ltd.	30,00,000	8.45	30,00,000	8.45
iii) Delight Grih Nirman Pvt. Ltd.	18,00,000	5.07	-	-

### 15.5 Rights, preferences and restrictions attached to shares

The equity shares of the company have par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. All these equity shares have same right with respect to payment of dividend, repayment of capital and voting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

## 16. Other equity

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Equity component of compound financial instruments	-	1,230.15
Capital redemption reserve	4,810.00	300.00
Securities premium	1,973.88	1,973.88
Retained earnings	8,439.78	7,849.26
<b>Total</b>	<b>15,223.66</b>	<b>11,353.29</b>

## Notes to the Consolidated Financial Statements

### 16.1 Equity component of compound financial instruments

(7% Redeemable non-cumulative preference shares)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	1,230.15	1,230.15
Less: Transferred to retained earnings	(1,230.15)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,230.15</b>

### 16.2 Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	300.00	300.00
Add: Addition during the year	4,510.00	-
<b>Balance at the end of the year</b>	<b>4,810.00</b>	<b>300.00</b>

16.2.1 Capital redemption reserve represents the reserve created against the redemption of 8% redeemable cumulative preference shares of Rs. 10/- each, amounting to Rs. 3 Crores during the FY 2005-06, 7% redeemable non-cumulative preference shares of Rs. 10/- each at par aggregating to Rs. 45.10 Crores during the FY 2021-22. It is a statutory, non-distributable reserve into which amounts are transferred following the redemption of shares as per the relevant provisions of the Companies Act 2013.

### 16.3 Securities premium

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	1,973.88	1,973.88
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,973.88</b>	<b>1,973.88</b>

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

### 16.4 Retained earnings

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the year	7,849.26	6,796.00
Less: Transferred to capital redemption reserve	(4,510.00)	-
Add: Transferred from equity component of compound financial instruments	1,230.15	-
Add: Profit after tax for the year	3,867.36	1,046.50
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	3.01	6.76
<b>Balance at the end of the year</b>	<b>8,439.78</b>	<b>7,849.26</b>

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

## Notes to the Consolidated Financial Statements

### 17. Borrowings (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
<b>Secured</b>		
Term loan	2,250.00	504.44
Vehicle loans	81.57	45.37
<b>Total secured borrowings</b>	<b>2,331.57</b>	<b>549.81</b>
<b>Unsecured</b>		
7% Redeemable non-cumulative preference shares of Rs. 10/- each fully paid up	-	3,687.69
Other loans (inter corporate deposits)	1,550.00	2,050.00
<b>Total unsecured borrowings</b>	<b>1,550.00</b>	<b>5,737.69</b>
<b>Total</b>	<b>3,881.57</b>	<b>6,287.50</b>

- 17.1 Term loan carries an interest rate at 0.30% p.a (spread) over and above 3 months MCLR and will be repaid in 20 quarterly installments till 31.03.2027. The term loan from bank is secured by way of first charge on entire movable and immovable fixed assets of the company, corporate guarantee of promoter Company, personal guarantee of promoter director. It is also secured by way of second pari-passu charge on stocks and book debts (both present and future). Other loans carries interest rate of 12% p.a.
- 17.2 Vehicle loans are secured by hypothecation of vehicles purchased under the respective agreements. Interest rate varies from 6.90% to 10.07% p.a, repayable in equated monthly instalments.
- 17.3 As approved by the Board of the Company in its meeting held on dated November 9, 2021, the Company has redeemed 4,51,00,000, 7% redeemable non-cumulative preference shares of Rs. 10/- each at par aggregating to Rs. 45.10 Crores out of the accumulated profit available for dividend as per the provisions of Section 55 of the Companies Act, 2013.

### 18. Provisions (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non-current</b>		
Post-employment defined benefits		
-Retirement gratuity	149.58	134.73
Other employee benefits	30.86	27.54
Provision for corporate social responsibility	108.53	-
<b>Total</b>	<b>288.97</b>	<b>162.27</b>

### 19. Borrowings (₹ in lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Secured</b>		
Working capital loans	10,935.38	4,888.19
	<b>10,935.38</b>	<b>4,888.19</b>

## Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Current maturities of :		
<b>Secured</b>		
Term loan	750.00	1,858.38
Vehicle loan	38.66	19.92
	<b>788.66</b>	<b>1,878.30</b>
<b>Total</b>	<b>11,724.04</b>	<b>6,766.49</b>

19.1 The working capital loans from banks are secured by way of 1st pari-passu charge on entire current assets ( both present and future), 2nd pari-passu charge on all movable and immovable fixed assets of the company, corporate guarantee of promoter company and personal guarantee of the promoter director.

### 20. Trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
MSME	39.01	-
Others	1,097.79	6,049.79
Disputed dues-MSME	-	-
Disputed dues- Others	-	-
<b>Total</b>	<b>1,136.80</b>	<b>6,049.79</b>

20.1 Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 ( as amended) (₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
1. Principal amount outstanding	39.01	-
2. Principal amount due and remaining unpaid	-	-
3. Interest due on (2) above and the unpaid interest	-	-
4. Interest paid on all delayed payments under MSMED Act	-	-
5. Payments made beyond the appointed day during the year	-	-
6. Interest due and payable for the period of delay other than (4) above	-	-
7. Interest accrued and remaining unpaid	-	-
8. Amount of further interest remaining due and payable in succeeding years	-	-

*Note : The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.*

20.2 Undisputed trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	MSME	Others	MSME	Others
Outstanding for the following periods from due date of payment				
Unbilled due	-	32.83	-	111.34
Not due	20.14	670.57	-	1,401.31
Upto 1 year	18.87	334.83	-	4,459.81
1-2 years	-	13.29	-	31.99
2-3 years	-	4.41	-	10.00
More than 3 years	-	41.86	-	35.34
<b>Total</b>	<b>39.01</b>	<b>1,097.79</b>	<b>-</b>	<b>6,049.79</b>

## Notes to the Consolidated Financial Statements

Disputed trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	MSME	Others	MSME	Others
Outstanding for the following periods from due date of payment				
Unbilled due	-	-	-	-
Not due	-	-	-	-
Upto 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

20.3 There are no micro, small and medium class enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31.03.2022. The above information regarding micro, small and medium class enterprises has been determined to the extent such parties have been identified on the basis of available information with the company.

### 21. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Interest payable on borrowings	177.08	294.03
<b>Total</b>	<b>177.08</b>	<b>294.03</b>

### 22. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory dues	68.30	910.35
Advance from customers	455.48	5,387.83
Payable to employees	51.79	58.76
<b>Total</b>	<b>575.57</b>	<b>6,356.94</b>

### 23. Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
Provision for taxation	3,129.90	1,979.43
Post-employment defined benefits		
-Retirement gratuity	14.43	17.60
Other employee benefits	2.37	2.63
<b>Total</b>	<b>3,146.70</b>	<b>1,999.66</b>

## Notes to the Consolidated Financial Statements

### 24. Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Sale of goods:		
-Pig iron	42,945.06	48,864.39
-Coke and coal	7,037.30	3,459.30
-Others	928.75	2,356.48
Sale of services:		
-Job work income	474.27	381.84
<b>Total</b>	<b>51,385.38</b>	<b>55,062.01</b>

### 25. Other income

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest income	1,995.29	479.40
Lease rental	54.00	54.00
Sundry liabilities relating to earlier years written back	270.45	32.89
Impairment allowance for doubtful debts written back	0.46	39.78
Foreign exchange fluctuation gain	60.95	50.38
Duty drawback	59.81	-
Other miscellaneous income	0.81	-
Gain on sale of investment	2.72	-
<b>Total</b>	<b>2,444.49</b>	<b>656.45</b>

### 26. Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Raw materials consumed		
Opening stock	9,731.97	12,985.35
Add: Purchases	30,917.57	41,180.79
	<b>40,649.54</b>	<b>54,166.14</b>
Less: Transfer to stock-in-trade from opening stock	1,438.45	-
Less: Closing stock	7,580.54	9,731.97
<b>Total raw materials consumed</b>	<b>31,630.55</b>	<b>44,434.17</b>



## Notes to the Consolidated Financial Statements

### 27. Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Coke and coal	5,431.64	2,599.80
Add: Transfer from raw material (opening stock)	1,438.45	-
Others	672.90	602.00
<b>Total</b>	<b>7,542.99</b>	<b>3,201.80</b>

### 28. Changes in inventories of finished goods

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Closing stock of finished goods	163.96	305.74
Opening stock of finished goods	305.74	389.92
(Increase)/decrease in inventories	<b>141.78</b>	<b>84.18</b>

### 29. Employee benefit expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries, wages, labour charges, bonus etc.	1,864.84	1,499.47
Contribution to provident and other funds	138.17	109.99
Staff welfare expenses	22.98	20.26
<b>Total</b>	<b>2,025.99</b>	<b>1,629.72</b>

### 30. Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest expense:		
-Interest on borrowings	877.39	709.31
-Interest on preference shares	822.31	241.25
-Interest on others	6.27	5.01
Other borrowing cost	190.36	75.21
<b>Total</b>	<b>1,896.33</b>	<b>1,030.78</b>

30.1 Other borrowing cost includes processing fees for working capital loan.

## Notes to the Consolidated Financial Statements

### 31. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Depreciation on property, plant and equipment as per note 4	1,177.67	890.23
Depreciation on right-of-use assets as per note 5	3.74	3.74
<b>Total</b>	<b>1,181.41</b>	<b>893.97</b>

### 32. Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Consumption of stores and spares	1,152.34	1,048.08
Power and fuel	1,198.76	1,018.35
Rent	9.85	9.02
Repairs to machinery	96.96	244.80
Insurance	16.32	17.02
Rates and taxes	69.00	163.84
Carriage outwards	16.72	17.18
Export of goods	416.53	-
Commission on sales	8.49	28.44
Corporate social responsibility expenditure	136.00	29.78
Loss on discard of fixed assets	11.20	2.11
Auditors remuneration		
i) To statutory auditors for:		
-Statutory audit fees	5.00	5.11
-Tax audit fees	1.00	1.00
-Limited review and certification	1.50	2.20
ii) To cost auditor for :		
-Cost audit fees (includes reimbursement of expenses)	0.35	0.35
Miscellaneous expenses	505.92	389.51
<b>Total</b>	<b>3,645.94</b>	<b>2,976.79</b>

### 33. Income tax expense

(₹ in Lakhs)

#### 33.1 Income tax recognised in profit and loss

Particulars	As at 31.03.2022	As at 31.03.2021
<b>a) Current tax expense</b>		
Current year	1,150.47	302.14
<b>b) Deferred tax expense</b>		
Origination and reversal of temporary differences and mat credit entitlement	747.05	118.41
<b>Total Income tax expense</b>	<b>1,897.52</b>	<b>420.55</b>

## Notes to the Consolidated Financial Statements

### 33.2 Income tax recognised in OCI

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Remeasurements of defined benefit plans	(1.62)	(3.63)
<b>Total income tax expense relating to OCI items</b>	<b>(1.62)</b>	<b>(3.63)</b>

### 33.3 Deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Liabilities</b>		
Difference between book and tax depreciation	2,787.54	2,457.33
Related to preference shares	-	281.64
<b>Total deferred tax liabilities</b>	<b>2,787.54</b>	<b>2,738.97</b>
<b>Assets</b>		
Provision for employee benefits	68.93	63.77
Allowance for doubtful debts	0.60	0.76
Mat credit entitlement	402.45	1,107.55
<b>Total deferred tax assets</b>	<b>471.98</b>	<b>1,172.08</b>
<b>Net deferred tax liabilities</b>	<b>2,315.56</b>	<b>1,566.89</b>

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Opening balance</b>	<b>1,566.89</b>	<b>1,444.85</b>
Deferred tax expenses recognised in statement of profit and loss	747.05	118.41
Deferred tax recognised on other comprehensive income	1.62	3.63
<b>Closing balance</b>	<b>2,315.56</b>	<b>1,566.89</b>

	As at 31.03.2021	Charge/ (Credit) to the Statement of Profit and Loss	Recognised in/reclassified from other comprehensive income	As at 31.03.2022
<b>Deferred tax liabilities (net)</b>				
<b>Deferred tax liabilities</b>				
Difference between book and tax depreciation	2,457.33	330.21	-	2,787.54
Preference shares	281.64	(281.64)	-	-
<b>Total</b>	<b>2,738.97</b>	<b>48.57</b>	<b>-</b>	<b>2,787.54</b>
<b>Deferred tax assets</b>				
Provision for employee benefits	63.77	6.78	(1.62)	68.93
Allowance for doubtful debts (excepted credit loss allowance)	0.76	(0.16)		0.60
Mat credit entitlement	1,107.55	(705.10)		402.45
<b>Total</b>	<b>1,172.08</b>	<b>(698.48)</b>	<b>(1.62)</b>	<b>471.98</b>
<b>Deferred tax liabilities (net)</b>	<b>1,566.89</b>	<b>747.05</b>	<b>1.62</b>	<b>2,315.56</b>

## Notes to the Consolidated Financial Statements

### 34. Earnings per share (EPS)

(₹ in Lakhs)

Computation of Earnings per share

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Face value of equity shares (in Rupees)	Rs. 2	Rs. 2
Weighted average number of equity shares used for computing earnings per share (basic & diluted) (in numbers)	3,54,96,000	3,54,96,000
Profit attributable to equity share holders (Rs. in Lakhs)	3,867.36	1,046.50
<b>Earnings per share (basic and diluted) (in Rupees)</b>	<b>10.90</b>	<b>2.95</b>

### 35. Commitments and contingencies

(₹ in Lakhs)

#### 35.1 Capital commitments

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advances)	783.81	1,156.69

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

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Disputed liabilities</b>		
Excise duty matters ( Amount paid under protest ₹ 1.43 Lakhs, Previous Year ₹ 1.43 Lakhs)	14.34	14.34
Jharkhand entry tax matters (Amount paid under protest ₹ Nil, Previous Year ₹ 81.75 Lakhs)	-	81.75
<b>Guarantees</b>		
Bank Guarantees	275.46	253.91

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

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

## Notes to the Consolidated Financial Statements

### 36. Segment reporting

The Company is predominantly engaged in a single reportable segment of Iron & Steel during the year. The risks and returns of manufacturing of pig iron and trading of its raw material are directly associated with Iron & Steel business and hence treated as single reportable business segment. The Company is operating within India only and hence India is the only geographical segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below :

#### Revenue from operations

Particulars	(₹ in Lakhs)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Within India	47,154.76	55,062.01
Outside India	4,230.62	-
<b>Total</b>	<b>51,385.38</b>	<b>55,062.01</b>

### 37. Related party transactions

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

Name of related party	Nature of relationship
Karni Syntex Pvt. Ltd.	Holding Company
<b>Key managerial personnel</b>	
-Mr. Radhey Shyam Jalan	Chairman & Managing Director
-Mrs. Manjula Poddar	Independent Director
-Mrs. Ishita Bose	Independent Director
-Mr. Laxmi Narayan Sharma	Independent Director
-Mr. Rajarshi Ghosh	Independent Director ( resigned w.e.f 06.08.2021)
-Mr. Kanhaiyalal Didwania	Non Executive and Non Independent Director
-Mr. Mukesh Bengani	Director (Finance) and Chief Financial Officer
-Mrs. Ruchika Fogla	Company Secretary

#### 37.2 Transactions during the year :

Particulars	(₹ in Lakhs)	
	Year ended 31.03.2022	Year ended 31.03.2021
With Key managerial personnel		
-Director's remuneration	109.52	102.73
-Other KMP's remuneration	2.95	7.06
-Other benefits paid	1.90	0.70

## Notes to the Consolidated Financial Statements

### 38. Corporate Social Responsibility Expense

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Amount required to be spent by the company during the year	55.71	58.17
Amount of expenditure incurred		
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	1.97	29.78
Shortfall at the end of the year	53.74	28.39
Total of previous years shortfall	54.78	51.89
Reason for shortfall	The shortfall amount could not be spent as the group has chosen long term projects. The aforesaid unspent amount has been transferred to separate CSR unspent account for the on-going projects of the Company in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.	The shortfall amount could not be spent as the group has chosen long term projects. The aforesaid unspent amount has been transferred to separate CSR unspent account for the on-going projects of the Company in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.
Nature of CSR activities	Promoting health & safety and sports.	Promoting education, safe drinking water, health and safety and sports.
<b>Provision for liability for the unspent amount</b>	<b>108.52</b>	-

As on March 31, 2022 the group needs to transfer Rs. 53.74 Lakhs to unspent CSR account as per Section 135(6) of the Companies Act, 2013. On April 30, 2022 the group transferred the said amount to the unspent CSR account.

## Notes to the Consolidated Financial Statements

### 39. Other statutory information

- i) The group does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
  - ii) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - iii) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (ultimate beneficiaries) or
    - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - iv) The group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall :
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
    - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
  - v) The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
  - vi) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
  - vii) The group is not declared wilful defaulter by any bank or financial institution or lender during the year.
  - viii) The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - ix) The group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
  - x) The title deeds of all the immovable properties, (other than immovable properties where the group is the lessee and the lease agreements are duly executed in favour of the group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the group as at the balance sheet date.
  - xi) The group does not have any transactions with companies which are struck off.
  - xii) The group has not given any loans or advances to Promoters, Directors, KMP's and related parties ( as defined under Companies Act, 2013), either severally or jointly with any other person.
40. The group has only one wholly owned subsidiary company, as such the entire profit/loss and total comprehensive income belong to the owners of the parent and nothing is attributable to non-controlling interest. Also there is no non-controlling interest in the balance sheet and in the statement of changes in equity.

## Notes to the Consolidated Financial Statements

41. The group has only one wholly owned subsidiary company with no significant material transactions. Notes to the accounts as required in accordance with Schedule III and Companies (Indian Accounting Standard) Rules, 2015 being similar to that disclosed by holding company in their standalone financial statements are not been appended hereto.
42. During the financial year ended 31.03.2022, the Company sold its 100 % Investment in its wholly owned subsidiary KIC Minerals Private Limited.
43. Previous year's figures have been re-grouped/re-classified wherever necessary.

In terms of our report of even date attached  
For **B. N. Agrawal & Co.**  
*Chartered Accountants*  
Firm Registration No. 320312E

**Anshu Agarwal**  
*Partner*  
Membership No. 314802  
Place : Kolkata  
Dated : May 26, 2022

For and on behalf of the Board of Directors

**R. S. Jalan**  
Chairman and Managing Director  
(DIN: 00578800)

**R. Fogla**  
*Company Secretary*  
(ACS : 23339)

**M. Bengani**  
*Director (Finance) and CFO*  
(DIN: 08892916)

**M. Poddar**  
*Director*  
(DIN: 08158445)



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 35<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **K I C METALIKS LIMITED** will be held on Friday, **September 23, 2022 at 10.30 a.m (IST)** through **Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')** to transact the following business :

### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Mukesh Bengani (DIN: 08892916) who retires by rotation and being eligible offers himself for re-appointment.
3. **Re-appoint the Statutory Auditors of the Company and fix their remuneration for a second term of one year**

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

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time 'Act', M/s. B. N. Agrawal & Co., Chartered Accountants (Firm Registration No. 320312E), be and is hereby appointed as the statutory auditors of the Company for a second term of 1 (one) year to hold office from the conclusion of this 35th Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company, at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company 'Board' and the Auditors".

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

### AS SPECIAL BUSINESS :

4. **Re-appointment of Mr. Radhey Shyam Jalan (DIN: 00578800), as Chairman and Managing Director of the Company and payment of overall remuneration to him**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Radhey Shyam Jalan (DIN: 00578800) as Chairman and Managing Director 'CMD' of the Company for a period of three years, with effect from 4<sup>th</sup> November, 2022 to 3<sup>rd</sup> November, 2025, liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act and as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and CMD."

**"RESOLVED FURTHER THAT** the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

## 5. Revision in Remuneration of Mr. Mukesh Bengani, (DIN : 08892916) Director (Finance) and Chief Financial Officer of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Mukesh Bengani, (DIN : 08892916), Director (Finance) and Chief Financial Officer of the Company ‘Mr. Bengani’, on the terms and conditions including remuneration as mentioned below :

Salary and Perquisites :

a)	Basic Salary	:	₹ 67,825 per month
b)	H.R.A	:	₹ 27,130 per month
c)	Transport allowance	:	₹ 13,565 per month
d)	Other allowance	:	₹ 10,180 per month
	Total	:	₹ 1,18,700 per month

e) Medical and Leave Travel Allowances will be as per the Company rules.

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

The terms and conditions of appointment of Mr. Bengani may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

No sitting fees will be paid to him for attending meetings of the Board of Directors or any committee thereof. Total remuneration of Mr. Bengani in any financial year shall not exceed 5 % of the net profits of the Company during that year. The appointment may be terminated by the Company or Mr. Bengani by giving one months’ notice of such termination or salary in lieu thereof or by mutual consent.

**“RESOLVED FURTHER THAT** the Company Secretary or any Director of the Company be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the above resolution.”

## 6. Ratification of the remuneration of the Cost Auditors (Firm Registration No. 101919) of the Company for the financial year 2022-23

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 35,000/- plus applicable taxes and out-of-pocket expenses incurred in connection with the audit, payable to M/s. Patangi & Co., Cost Accountants, (Firm Registration No. 101919), who were appointed by the Board of Directors of the Company ‘Board’ as Cost Auditors of the Company to audit the cost records for the financial year 2022-23.”

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

### Registered Office :

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

Dated : May 26, 2022

Place : Kolkata

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

**Ruchika Fogla**  
Company Secretary  
(Membership No. A23339)

**IMPORTANT NOTES :**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs 'MCA' has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting 'AGM' through VC/OAVM, without the physical presence of the Members at the meeting venue and that will be in compliance with the provisions of the Companies Act 2013 'Act'. The Securities and Exchange Board of India 'SEBI' vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (hereinafter called as SEBI Circular) extended relaxation to listed companies in view of Covid-19 pandemic from the Compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'Listing Regulations' relating to conduct of AGM through VC/OAVM. The AGM of the Company pursuant to aforesaid Circulars issued by MCA and SEBI, is being held through VC/OAVM at the Registered Office of the Company.
2. **The members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of commencement of the meeting (i.e. 10.30 AM IST) by following the procedure mentioned herein after under the head "instructions for members for Attending AGM through VC/OAVM". The facility of participation at AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This does not include large Shareholders (i.e. holding 2 % or more shares), promoters, Institutional Investors, Directors and Key Managerial Personnel of the Company, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company and Auditors, who are to attend AGM without restriction of first come first serve basis.**
3. Since this AGM is being held pursuant to the applicable MCA and SEBI Circulars through **VC/OAVM**, physical attendance of members has been dispensed with in line with aforesaid Circulars. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The facility of casting votes by the member using remote e-voting system as well as at AGM will be provided by NSDL. The detailed instructions for casting vote are mentioned hereinafter.  
Members who wish to speak at AGM shall send their name and DP ID/ Folio No. 3 (three) days before AGM date i.e. **Tuesday, September 20, 2022** on following e-mail id ***companysecretary@kicmetaliks.com***.
5. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or Governing Body Resolution/Authorization/Power of Attorney etc. (Authorization) authorizing its representative to attend the AGM through VC/CAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail to his/her registered e-mail address at ***kic.scrutinizer@gmail.com*** with a copy marked to ***evoting@nsdi.co.in***.
6. The Register of members and Share Transfer Register of the Company will remain closed from Saturday, **September 17, 2022 to Friday, September 23, 2022** (both days inclusive).
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 7, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and to ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form as it facilitates easy liquidity. Change in particulars of shareholding such as bank details, address, loss of share certificates etc., members can contact the Company's Registrars and Transfer Agents, **M/s. S.K. Infosolutions Pvt. Ltd. D/42, Katju Nagar (Near South City Mall), Ground Floor, Katju Nagar Bazar, Jadavpur, Kolkata – 700 032** 'RTA' for assistance in this regard. The details various banks and agencies providing dematerialization of shares services are available on the website of NSDL and CDSL.
8. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their DP's in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.

9. **In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual members. The members who are holding shares in physical form and are desirous of availing this facility may kindly download the prescribed form (SH-13) from the Company's website and submit the same to RTA at the address mentioned herein above in Note No. 7. Members holding shares in dematerialized form, should write to their Depository Participant for this purpose.**
10. Members who are holding shares in physical form are requested to notify changes, if any, pertaining to their name, postal address, e-mail address, telephone or mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the RTA at the address mentioned **Note No. 7** quoting their folio number along with requisite documents and members holding shares in dematerialised form, should intimate request for such changes to their Depository Participant.
11. Members who are holding shares in identical order of names in more than one folios, are requested to write to the RTA at the address mentioned in **Note No. 7** to consolidate their holdings in one folio.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before **Friday, September 16, 2022** from their registered e-mail address, mentioning their Name, DP ID and Client ID/Folio No. and mobile number on [companysecretary@kicmetaliks.com](mailto:companysecretary@kicmetaliks.com). The queries will be replied by the Company suitably in the AGM.
13. In compliance with the aforesaid MCA Circulars and SEBI Circulars (referred in Note No. 1) Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.kicmetaliks.com](http://www.kicmetaliks.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC/OAVM, the Route Map of the venue of the AGM is not annexed to this Notice.
16. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under **Item Nos. 3, 4, 5 and 6** above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under **Item Nos. 2 and 4** pursuant to Regulation 36(3) of the Listing Regulation and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are also annexed.
17. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS :**
- A. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS :**
- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as remote e-voting during the AGM will be provided by NSDL.
  - Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Friday, September 16, 2022** may cast their vote by remote e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. **Friday, September 16, 2022** may obtain the User ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- iii. The remote e-voting period commences on **Monday, September 19, 2022 at 9.00 a.m. (IST)** and ends on **Thursday, September 22, 2022 at 5.00 p.m. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting rights of the members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. **Friday, September 16, 2022**.
- iv. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolution(s) by remote e-voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- v. The remote e-voting module shall be disabled by NSDL for voting, 15 minutes after the conclusion of the Meeting on the day of the AGM.

**B. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE GIVEN BELOW :**

- i. The members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at <https://www.evoting.nsdl.com> under the Shareholders/Members login by using the remote e-voting credentials, where the **EVEN of the Company** i.e. **120921** will be displayed. On clicking this link, the members will be able to attend and participate in the proceedings of the AGM. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID/Password may retrieve the same by following the remote e-voting instructions mentioned below to avoid last minute rush. Further, members may also use the OTP-based login for logging into the e-voting system of NSDL.
- ii. Members may join the Meeting through Laptops, Smartphone's, Tablets and iPads for better experience. Further, members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DPID and Client ID/Folio number, PAN, mobile number at [companysecretary@kicmetaliks.com](mailto:companysecretary@kicmetaliks.com) between **Monday, September 19, 2022 (9:00 a.m. IST) to Wednesday, September 21, 2022 (5:00 p.m. IST)**. **Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- iv. Members who need assistance before or during the AGM to access and participate in the meeting may contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) /1800-222-990 or 1800-22-430 or contact **Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / 022-24994360** or **Mr. Sanjeev Yadav, Assistant Manager – NSDL at [sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in)/022-24994553**.

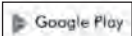

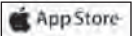

## C. THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/ DURING THE AGM

### Step 1: Access to NSDL e-Voting system

#### 1. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

In terms of SEBI Circular dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their Demat accounts maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their Demat accounts in order to access the e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on :</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

## 2. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE

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

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Members' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **<https://eservices.nsdl.com/>** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 116851 and folio number is 001*** then User ID is 116851001***

5. Details of password are given below:
  - (a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your e-mail ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail sent and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of your beneficiary ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
  - a. Click on 'Forgot User Details/Password?' (If you are holding shares in your Demat account with NSDL or CDSL) option available on **www.evoting.nsdl.com**
  - b. Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on **www.evoting.nsdl.com**
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your Demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-voting will open.

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

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

1. After successful login at Step 1, you will be able to see EVEN of all the Companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of the Company for which you wish to cast your vote during the remote e-voting period and during AGM. For joining virtual meeting, you need to click on VC/OAVM Link placed under "Join General Meeting",
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

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

#### General Guidelines for Shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on **www.evoting.nsdl.com** to reset the password.
2. In case of any queries/grievances pertaining to remote e-voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions '**FAQs**' for Shareholders and e-voting user manual for Shareholders available in the download section of **www.evoting.nsdl.com** or call on the toll-free number: 1800-222-990/1800-224-430 or send a request at **evoting@nsdl.co.in** or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: **amitv@nsdl.co.in** or **pallavid@nsdl.co.in** or **pratikb@nsdl.co.in**.



**Other Instructions:**

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

**Registered Office :**

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

Dated : May 26, 2022

Place : Kolkata

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

**Ruchika Fogla**  
Company Secretary  
(Membership No. A23339)

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

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

#### ITEM NO. 3

M/s. B. N. Agrawal & Co., Chartered Accountants (Firm Registration No. 320312E) were appointed as the Statutory Auditors of the Company for a term of 5 years at the 30<sup>th</sup> Annual General Meeting 'AGM' held on September 21, 2017 to hold till the conclusion of the 35<sup>th</sup> AGM held in 2022, hence, his tenure of five year will expire at the conclusion of the forthcoming 35<sup>th</sup> AGM. Accordingly, as per the said requirements of the Act, M/s. B. N. Agrawal & Co., Chartered Accountants are proposed to be re-appointed as Statutory Auditors of the Company for a further period of 1 (one) years, commencing from the conclusion of 35<sup>th</sup> AGM till the conclusion of the 36<sup>th</sup> AGM of the Company.

M/s. B. N. Agrawal & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The terms and conditions of re-appointment of the statutory auditors and the proposed fees are as follows:

- a. Terms of Appointment :** 1 (one) year from the conclusion of this AGM till the conclusion of 36<sup>th</sup> AGM.
- b. Proposed Fees :** Remuneration (including travelling and other out-of-pocket expenses) as may be mutually agreed upon between Board of Directors of the Company and the Auditor. The remuneration payable to the statutory auditors for the remaining tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee.

The proposed fees is be based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

The Board, based on the recommendation of the Audit Committee, unanimously, recommends the ordinary resolution as set out in item no. 3 of this notice.

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

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

#### ITEM NO. 4

Mr. Radhey Shyam Jalan 'Mr. Jalan' was appointed as the Chairman and Managing Director 'CMD' of the Company for a period of three years effective November 4, 2019 till November 3, 2022, and the said appointment was approved by the members at their 32<sup>nd</sup> Annual General Meeting held on September 24, 2019.

Based on the recommendation of the Nomination and Remuneration Committee, the Board on May 26, 2022, re-appointed Mr. Jalan as the CMD of the Company, liable to retire by rotation, for a further period of three years effective November 4, 2022 to November 3, 2025, subject to approval of the members.

The Board, while re-appointing Mr. Jalan as the CMD of the Company, considered his background, experience and contributions to the Company.

Mr. Radhey Shyam Jalan is a Chartered Accountant and has graduated with B.Com (Honours) and is aged about 41 years. He has been with K I C for more than a decade and that also in a senior management position. With his extensive experience in Business Administration, he has headed the organizational transformation and business excellence function of the Company with niche and has a vast contribution in the outstanding growth of K I C since its takeover from erstwhile management.

The main terms and conditions relating to the re-appointment and terms of remuneration Mr. Jalan as the CMD of the Company are as follows:

**A. Period :**

For a period of 3 years i.e. from November 4, 2022 to November 3, 2025.

**B. Nature of Duties :**

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

**C. Salary & Perquisites :**

a)	Basic Salary	: ₹ 8,00,000 per month
b)	H.R.A	: ₹ 2,00,000 per month
	Total	: ₹ 10,00,000 per month
c)	Motor car provided with chauffeur, maintained by the Company for official use.	

**D. Minimum Remuneration :**

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

**E. Other Terms of Appointment :**

- (i) The CMD, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of the re-appointment of the CMD and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CMD, subject to such approvals as may be required.
- (iii) The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party three months' notice of such termination or the Company paying three months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/Commission (paid at the discretion of the Board), in lieu of such notice.
- (iv) The employment of the CMD may be terminated by the Company without notice or payment in lieu of notice :
  - a. if the CMD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the CMD of any of the stipulations contained in the Agreement; or
  - c. in the event the Board expresses its loss of confidence in the CMD.
- (v) No sitting fees will be paid to the CMD for attending meeting of the Board of Directors or any committee thereof. Total remuneration of Mr. Jalan in any financial year shall not exceed 5% of the net profits of the Company during that year.

- (vi) In the event the CMD is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- (vii) Upon the termination by whatever means of CMD's employment under the Agreement:
  - a. He shall immediately cease to hold offices held by him in any holding Company, subsidiaries or associate Companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.
  - b. He shall not, without the consent of the Board and at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated Companies.
- (viii) All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the CMD unless specifically provided otherwise.
- (ix) If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Jalan will cease to be the CMD and also cease to be a Director of the Company. If at any time, Mr. Jalan ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the CMD and this Agreement shall forthwith terminate. If at any time, the CMD ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and CMD of the Company.
- (x) The terms and conditions of re-appointment of CMD also include clauses pertaining to adherence to the K I C Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Jalan, to whom the resolution relates, is concerned or interested financially or otherwise in the resolution set out at Item No. 4 of the Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and remuneration Committee, approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Jalan as Chairman and Managing Director as set out above.

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

#### **ITEM NO. 5**

The Board of Directors of the Company 'Board' at their meeting held on August 11, 2021, subject to approval of members of the Company, has accorded its approval for revision in remuneration of Mr. Mukesh Bengani, Director (Finance) and Chief financial Officer of the Company, 'Mr. Bengani, as detailed in the resolution, for his remaining tenure. The same was approved by the Nomination and Remuneration Committee at its meeting held earlier that day and was recommended to the Board for its approval. While approving the revised remuneration of the Mr. Bengani, the Nomination and Remuneration Committee considered various parameters which, inter alia, includes, prudent handling of the finance and internal control functions of the Company, helping the management in achieving a robust topline and bottomline and others strategic initiatives, etc. with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the Company and members. The revision in remuneration of Mr. Bengani was made with the view to make the same commensurate with his efforts given to and involvement in the Company.

Mr. Bengani is a related party as per Section 2(76)(i) of the Companies Act, 2013 'Act'. As per Section 177(4)(iv) Act, the Audit Committee has to accord its approval to any subsequent modifications of the transactions of the Company with its related parties and accordingly the Audit Committee at its meeting held on August 6, 2021, approved and recommended the same agenda for the approval to the Board.

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof or the time being in force) and

applicable clauses of the Articles of Association of the Company, the above said revision in remuneration requires approval of members of the Company in a General Meeting by way of ordinary resolution.

The requisite details of Mr. Bengani are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution as set out at Item No. 5 of the Notice except Mr. Bengani.

The Board recommends the resolutions set forth in **Item No. 5** of the Notice for the approval of members.

#### **ITEM NO. 6**

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. Patangi & Co., Cost Auditors to audit cost records of the Company for the financial year 2022-23 at a remuneration of ₹ 35,000/-, excluding applicable taxes and out of pocket expenses, if any.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth in **Item No. 6** of the Notice for approval of the members.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT  
IN THE 35<sup>TH</sup> ANNUAL GENERAL MEETING**

*[Pursuant to Regulation 26(4) and 36(3) of Listing Regulations]*

Name of Director(s)	Mr. Radhey Shyam Jalan	Mr. Mukesh Bengani
Date of Birth	23.06.1980	2.12.1977
Qualifications	B. Com (Honours), Chartered Accountant	B. Com (Honours), Chartered Accountant
Date of Appointment	16.01.2009	25.08.2020
Expertise in specific functional areas	Management, Finance and Business administration	Finance, Accounts, Taxation, Costing, Regulatory Compliance, Strategic Planning, Experience in Manufacturing Sector accounting.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years;	None	None
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	K I C Metaliks Limited - Equity Shares 5,13,475 (1.44 %)	Nil
Relationship between Directors, Manager and other Key Managerial Personnel inter-se	Nil	Nil
Attendance at Board meetings in financial year 2021-22	Mr. Jalan attended all Board Meetings in financial year 2021-22	Mr. Bengani attended all Board Meetings in financial year 2021-22

## Notes

# Forward Looking Statements

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements written and oral that we periodically make, contain forward looking statements that set out anticipated results based on the management plan and assumptions. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expects, projects, intends, plans, beliefs and word of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in assumptions. The achievement of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks uncertainties materialize, or should underlying assumptions prove inactivate, actual result could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.





# K I C METALIKS LIMITED

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