

KCL LIMITED

**ANNUAL REPORT
2018-2019**



KCL LIMITED
(Formerly Known as Khemka Containers Limited)

CORPORATE INFORMATION

KEY MANAGERIAL PERSONNEL

Ms. Chander Kala Khemka, Chairman
Mr. Shyam Sunder Khemka, Managing Director
Mr. Rajeev Khemka, Whole Time Director
Mr. Sanjeev Khemka, Whole time Director
Mr. Ashish Khemka, Whole Time Director
Mr. Deeptanshu Khemka, Whole time Director

STATUTORY AUDITOR

M/s Rohit Baid & Co.

INTERNAL AUDITOR

M/s M.L. Bhansali & Co.

SECRETARIAL AUDITOR

Vikas Verma & Associates
B-502, Statesman House,
147, Barakhamba Road,
New Delhi-110001

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd..
Beetal House, 3rd Floor, 99 Madangir,

BANKERS

Allahabad Bank, NIT Faridabad
HSBC Bank, Gurgaon

Stock Exchange

Metropolitan Stock Exchange of India Limited Mumbai

ISIN: INE061C01010

**Non Executive &
Independent Director**

Mr. Sunil Bansal
Mr. Rahul Jain
Mrs Chander Kala Khemka

Registered Office

E-292, Sarita Vihar
New Delhi-110044

Manufacturing Plants

Paper Packaging Division
Plot No:135, Sector-24,
Faridabad

Greater Noida Division

11B Udyog Vihar, Greater
Noida (U.P)

Baddi Division-II

Village Bir Pilasi, Tehsil
Nalagarh, Distt. Solan (H.P)

Printing Division:

Plot No 275,276,297 & 298,
Sector-24 Faridabad-121005

Baddi Division

Sai Road, Baddi (H.P)

Sri-city Division

Plot No 900, Rosewood Drive
Sri-city, Chittoor District
Andhra Pradesh-517646

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NOTICE

Notice is hereby given that the 36th Annual General Meeting of KCL Limited (CIN: L74899DL1983PLC068008) will be held on Monday, September 30th 2019 at 01.00 P.M at the Registered Office of the company Situated at E-292, Sarita Vihar, New Delhi - 110044 to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Rajeev Khemka (holding DIN No: 00103260), who retires by rotation, and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Deeptanshu Khemka (holding DIN No: 07484360), who retires by rotation, and being eligible offers himself for reappointment.
- To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions if any of the Act and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Rohit Baid & Co., Chartered Accountants, Faridabad, bearing Firm Registration No 031122N with Institute of Chartered Accountant of India be and is hereby appointed as the Statutory Auditor of the Company to hold office from the conclusion of the Annual General Meeting for the financial year 18-19 to the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting to be held in the year 2020, subject to ratification by the Shareholders at every subsequent Annual General Meeting and to authorize the Board of Directors of the company to fix their remuneration.”.

RESOLVED FURTHER THAT Mr. Rajeev Khemka, Director cum CFO of the Company be and is hereby authorized to do all such actions as may be required to give effect to the aforesaid resolution.

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By Order of the Board
For KCL LIMITED

Date:
Place:

(Amit Aggarwal)
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING. BLANK PROXY FORM IS GIVEN IN THE ANNUAL REPORT.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- 2.** Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
- 3.** The Instrument appointing the proxy, duly completed shall be deposited at the Company's registered office address not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
- 4.** In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- 5.** The Register of Members and Share Transfer Books of the Company remain closed from Tuesday 24th to Monday 30th September, 2019 for the purpose of AGM.
- 6.** Relevant documents referred to in the accompanying Notice and statutory registers are open for inspection by the Members at the Company's Registered

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Office on all working days between 14:00 -16:00 hrs up to the date of the meeting and will be available for inspection at the AGM.

7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants.
9. In terms of Section 152 of the Act, Mr. Rajeev Khemka and Mr. Deeptanshu Khemka, Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend their respective re-appointments.
10. Mr. Rajeev Khemka and Mr. Deeptanshu Khemka are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3 respectively, of the Notice with regard to their re-appointment. Mr. Ashish Khemka Director, being related to Mr. Rajeev Khemka may be deemed to be interested in the resolution set out at Item No. 2 of the Notice. Mr. Sanjeev Khemka, Director, being related to Mr. Deeptanshu Khemka may be deemed to be interested in the resolution set out at Item No. 3 of the Notice. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 4 of the Notice
11. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the “Annexure A” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.
12. The Route map and landmark are enclosed with this notice.

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13. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
15. Members may also note that the Notice of the 36th AGM and the Annual Report 2018-19 will be available on the Company's website, <http://www.kcl.co.in>. The physical copies of the documents will also be available at the Company's Corporate office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: Plot No 297, Sector-24 Faridabad, Haryana.
16. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
17. Mr. Vikas Kumar Verma, Partner, M/s. Vikas Verma & Associates, Practicing Company Secretaries (Membership No. FCS .9192, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
18. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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19. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
20. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
21. A member who has not received the Postal Ballot Form may request the Company for a duplicate form. The Postal Ballot Form/duplicate Postal Ballot Form duly completed in all respects, enclosed in self addressed, postage pre-paid envelop should reach the Scrutinizer before 05.00 P.M. on 29th September, 2019. The Postal Ballot received after the said date will be treated as not having been received.

The instructions for e-voting through electronic means are as under-

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The remote e-voting period commences on 27th September, 2019 (9:00 am) and ends on 29th September, 2019 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on

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the cut-off date of 23rd September, 2019, may cast their vote by remote e-voting. 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 process and manner for remote e-voting are as under:
- In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put your user ID and password. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “M/s KCL Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to

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modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vikasverma@vanda.com with a copy marked to evoting@nsdl.co.in

- In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

a. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID /PASSWORD/PIN

b. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd

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September 2019.

- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- 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 as well as voting at the AGM through ballot paper.
- Mr. Vikas Kumar Verma, Practicing Company Secretary (Membership No. FCS: 9192) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kcl.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Limited, Mumbai.

Other Instructions:

- The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 23rd September 2019
- 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, i.e 23rd September 2019 only shall be entitled to avail the facility of remote e-voting / voting at AGM.
- Any person, who acquires shares and become Member of the Company after the dispatch of the notice and holds shares as of the cut-off date i.e. 23rd September 2019 may obtain the login ID and password in the manner mentioned above. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.
- The remote e-voting period will commence on Friday, 27th September, 2019 (9.00 A.M.) and ends on Sunday, 29th September, 2019 (5.00 P.M.). The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- The Scrutinizer(s) shall immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company. The Scrutinizer(s) shall submit a consolidated Scrutinizers’ Report of the votes cast in favour or against, if any, not later than 3 (Three) days of conclusion of the Meeting to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or any other person authorized by him in writing shall declare the results of the voting forthwith.

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- The Result declared along with the Scrutinizers' Report shall be placed on the Company's website: www.kcl.co.in and on the website of NSDL immediately after the results are declared by the Chairman or any other person authorized by him and the Company shall, simultaneously, forward the results to the concerned Stock exchange where its equity shares are listed.

By Order of the Board
For KCL LIMITED

Date:
Place:

(Amit Aggarwal)
Company Secretary

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Annexure-A
Details of Directors Retiring By Rotation/ Seeking Appointment/Re-Appointment At
The Ensuing Annual General Meeting

Name of Directors	Rajeev Khemka	Deeptanshu Khemka
Age	51	28
Qualifications	B.Com	B.tech from UK and MBA from Mumbai
Experience (including expertise in specific functional area)/Brief Resume	30 Years of wide experience in Financial matters and Production	4 years
Terms and Conditions of Appointment /Reappointment	As per the agreement	As per the agreement
Remuneration last drawn (including sitting fees, if any)	325000	200000
Date of first appointment on the Board	30/09/1985	08/03/2016
Shareholding in the Company as on March 31, 2019	246325	12000
Relationship with other Directors / Key Managerial Personnel	Brother of Ashish Khemka	Son of Rajeev Khemka.
Number of meetings of the Board attended during the year	6 (Six)	6 (Six)
Directorships of other Boards as on March 31, 2019	Nil	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Member in CSR Committee.	Nil

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DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Accounts for the financial year ended on March 31, 2019.

• **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby state and confirm that:

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- b) in the preparation of the annual accounts, the applicable accounting standards had been followed along-with the proper explanation and there are no material departures;
- c) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit and loss of the company for that period;
- d) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- f) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and
- g) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

• **FINANCIAL PERFORMANCE**

The Comparative financial statements for the financial year ended 31st March, 2019, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs. On that basis, our sales increased to Rs 261.86 Crores for the current year as against Rs 233.89 crores in the previous year. Our net profits increased to Rs 3.72 Crores for the current year as against Rs 3.59 Crores in the previous year.

Key highlights of financial performance of your Company for the financial year 2018-19 are provided below:

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(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Revenue from Operations	26153.70	23346.49
Other Income	32.66	43.10
Total Revenue	26186.36	23389.59
Less: Expenditure	25757.62	22858.71
Profit Before Tax for the Year	428.74	530.88
Tax Expenses	55.85	171.61
Net Profit After Tax for the Year	372.88	359.26
Other Comprehensive Income	7.51	(1.33)
Total Comprehensive income for the year	380.39	357.93

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

During the period under review the Company does not have any Subsidiary.

- **RESERVES**

Your company has transferred profits of Rs. 2 Crore to General reserve.

- **DIVIDEND**

The Directors, keeping into consideration the ever broadening horizon and further cash flow requirements for repayment of term loans and additional working capital needs of the company do not recommend any dividend for the financial year 2018-2019.

Transfer to Investor Education and Protection Fund Authority

During the period under review, the company has not required to transfer any amount or shares in IEPF authority.

- **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report which affect the financial position of the Company.

- **CHANGES IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

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- **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajeev Khemka, Whole-time Director and Mr. Deeptanshu Khemka, Whole time Director is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

- **NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

During the financial year 2018-2019, the Board of Directors of the Company, met (06) times on, April 02nd 2018, May 30th 2018, June 11th 2018, August 14th 2018, November 14th 2018 and February 14th 2019.

- **DECLARATION BY INDEPENDENT DIRECTORS**

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

- **NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel

- **FORMAL ANNUAL EVALUATION**

In line with the statutory requirements enshrined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out a performance evaluation of itself, its Committees, the Chairman and each of the other Directors. As in previous year, this was carried out on the basis of framework approved by the Nomination and Remuneration Committee. The Committee had unanimously consented for an 'in-house' review built on suggestive parameters. Based on the suggestive parameters approved by the Nomination and Remuneration Committee, the following evaluations were carried out:

- Review of Board as a whole by all the Members of the Board
- Review of all Board Committees by all the Members of the Board
- Review of Individual Directors by rest of the Board Members except the Director being

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evaluated

- **EXTRACT OF THE ANNUAL RETURN**

Extract of Annual Return Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2019 in form MGT-9 is enclosed as Annexure I to this report.

- **AUDITORS**

- a) Statutory Auditors**

As per Section 139 of the Companies Act, 2013 and based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014 and in accordance with the approval accorded by the Members at the 36th Annual General Meeting held on September 30, 2019, M/s Rohit Baid & Co., Chartered Accountants (FRN 031122N, Faridabad, re-appointed as Statutory auditor to the conclusion of this AGM till the conclusion of next AGM to held in the year 2020.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

- b) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, M/s Vikas Verma & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2019. A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as ANNEXURE –II.

- **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the financial year ended March 31, 2019, no Loans, Investment or guarantee u/s 186 of the Companies Act, 2013 was made by the Company

- **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in ANNEXURE – III and form part of this Report.

- **DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT**

The Company has not accepted any deposits during the year under review.

KCL LIMITED

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- **CORPORATE GOVERNANCE**

Pursuant to the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the provisions of the Corporate Governance are not applicable to the *Companies having paid up equity share capital not exceeding Rs. 10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of previous financial year* **or on the Companies listed on Stock Exchange.**

In view of above, as per the latest Audited Financial Statement of the Company as at 31st March 2018, the paid-up Equity Share Capital of the Company does not exceed the respective threshold limit of Rs. 10 Crore as aforesaid; hence compliance with the provisions of the Corporate Governance are not applicable to the Company. However the company (KCL) believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is given below in Annexure-IV

- **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As part of its initiatives under “corporate social responsibility (CSR)”, the company has contributed funds for the scheme of eradicating hunger & poverty, promotion of education. The contributions in this regard have been made to the registered trusts & NGO’s which are undertaking these schemes.

The Annual Report on CSR Activities is annexed herewith as : Annexure V

- **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report as Annexure- VI.

- **AUDIT COMMITTEE**

The Board of Directors of the Company has constituted Audit Committee u/s 177 of the Companies Act,2013 consisting of 3 (Three) members Mr. Sunil Bansal Mr. Rahul Jain & Mrs. Chandra Kala Khemka all of them being Independent Directors of the Company. Mr. Sunil Bansal is the chairman of the audit committee.

The Company Secretary acts as the secretary to the audit committee. The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee oversees the work

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carried out in the financial reporting process by the Management, the internal auditors and the independent auditors, and notes the processes and safeguards employed by each of them. The audit committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law. All possible measures must be taken by the audit committee to ensure the objectivity and independence of the independent auditors.

All recommendations made by the audit committee during the year were accepted by the Board.

- **AUDIT COMMITTEE ATTENDANCE**

The audit committee held 4 (four) meetings during the year ended March 31, 2019. These were held on 30/05/2018, 14/08/2018, 14/11/2018 & 14/02/2019. The attendance details of the audit committee meetings are as follows:

Names Of Directors	No. of Board Meeting held	No. of meetings attended
Mr. Sunil Bansal	4	4
Mr. Rahul Jain	4	4
Mrs Chandra Kala Khemka	4	4

- **RISK MANAGEMENT POLICY**

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management policy for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the corporate governance report, which forms part of this report.

- **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

- **CREDIT RATINGS**

During the year under review CRISIL, A SEBI, RBI & NSIC registered credit rating agency in India, has assigned Bank rating BB for Long-term bank facilities and the Outlook of which is Stable regarding timely servicing of financial obligations and A3+ for Short-term bank facilities.

Dun & Bradstreet, a US based information and business rating MNC has given and upgraded the company's rating to 5A2 from the previous 4A3, due to improved performance and business metrics.

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• **LISTING OF SECURITIES**

The shares of the Company are listed on the "Metropolitan Stock Exchange of India Limited" (MSEI)

• **CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE OUTGO**

Conservation Of Energy:

- 1) The company has taken several effective steps to consumption of the electrical units.
- 2) The company is engaged in manufacturing of corrugated boxes and printed duplex board cartons & breakfast cereals, which don't fall in the schedule of industries requiring information specified in the prescribed form. Hence the details of energy conservation have not been furnished.

Technology absorption, adaption and innovation:

The company has adopted latest technologies, processes, designs and machineries to manufacture Quality packaging products & breakfast cereals.

Research and Development (R&D):

The company has in house research and development facilities.

Foreign exchange earnings and outgo:

<i>Foreign exchange earnings and outgo</i>	2018-19	2017-18
Earning for value of exports on F.O.B basis	NIL	NIL
Expenditure in foreign currency :		
• Raw Material	0	75507591
• Repairs & Maintenance(P&M)	4962162	4677055
• Capital Goods	114720940	33554341
• Traveling Expenses	12469140	12202820

• **Particulars of employees**

Information as per Section 134 of the Companies Act, 2013 read with Companies (Particulars of Employees) Amendment Rules, 2011 are given in the statement which form a part of this report.

However as per the provisions of section 136 of the Companies Act, 2013, the report and accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining a copy of the particulars may write to the Company's Registered Office.

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• **MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Agreement, 2015 with the stock exchanges is presented as a separate section forming part of this report.

• **DISCLOSURE REQUIREMENTS**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares and differential rights as to dividend, voting or otherwise.
- Issue of Shares (including sweat equity shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- Company does not have any subsidiary.

• **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. They are grateful to shareholders, bankers, depositors, customers and vendors of the company for their continued valued support. The Directors look forward to a bright future with confidence.

Date: 30.05.2019
Place Faridabad

By the order of the Board
For M/s KCL Limited

SD/-
Shyam Sunder Khemka
Managing Director
Din No 00103387

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Annexure-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(as on financial year ended on March, 31, 2018)

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

I. REGISTRATION & OTHER DETAILS:

- | | |
|---|--|
| i) CIN : | L74899DL1983PLC068008 |
| ii) Registration Date: | 21/01/1983 |
| iii) Name of the Company: | KCL LIMITED |
| iv) Category/ Sub-category of the Company:
Non-Government Company | Company Limited By Shares/ Indian |
| v) Address of the Registered office & contact details | E-292, Sarita Vihar, New Delhi-110044
E-mail: cs@kcl.co.in
Tel: 0120-2232417 |
| vi) Whether listed company : | Yes |
| vii) Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s Beetal Financial & Computer Services Pvt Ltd. ,
3rd Floor, 99 Madangir, BH-Local Shopping Complex,
Near Dada Harsukhdas Mandir, New Delhi-110062 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
01	Manufacturing of corrugated boxes, duplex cartons and other containers.	1702	95.56%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
	NIL				

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IV **SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	1186110	235800	1421910	47.40	1186110	235800	1421910	47.40	N/A	N/A
b) Central Govt.or State Govt.										
c) Bodies Corporates										
d) Bank/Fl										
e) Any other	368600	21600	390200	13.00	368600	21600	390200	13.01	N/A	N/A
SUB TOTAL:(A) (1)	1554710	257400	1812110	60.40	1554710	257400	1812110	60.41		
(2) Foreign										
a) NRI- Individuals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b) Other Individuals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c) Bodies Corp.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d) Banks/Fl	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
e) Any other...	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SUB TOTAL (A) (2)										
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)										
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b) Banks/Fl	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c) Cenntrol govt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d) State Govt.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
e) Venture Capital Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
f) Insurance Companies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
g) FIIS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
h) Foreign Venture Capital Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
i) Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SUB TOTAL (B)(1):										
(2) Non Institutions										
a) Bodies corporates	1600	835800	837400	27.91	1600	835800	837400	27.91	N/A	N/A
i) Indian	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ii) Overseas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	8100	66800	74900	2.50	8100	66800	74900	2.50	N/A	N/A
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		275675	275675	9.19		275675	275675	9.19	N/A	N/A
c) Others (specify)										
Non Resident Indians										
SUB TOTAL (B)(2):	9700	1178275	1187975	39.60	9700	1178275	1187975	39.60	N/A	N/A
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	9700	1178275	1187975	39.60	9700	1178275	1187975	39.60	N/A	N/A
C. Shares held by Custodian for GDRs & ADRs									N/A	N/A
Grand Total (A+B+C)	1564410	1435675	3000085	39.60	1564410	1435675	3000085	39.60	N/A	N/A

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(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mr. Shyam Sunder Khemka	526260	17.53	N/A	526260	17.53	N/A	N/A
2	Mr. Sanjeev Khemka	264,875	8.83	N/A	264,875	8.83	N/A	N/A
3	Mr. Rajeev Khemka	246325	8.21	N/A	246325	8.21	N/A	N/A
4	Mr. Ashish Khemka	331350	11.04	N/A	331350	11.04	N/A	N/A
5	Mrs Vandana Khemka	77,600	2.59	N/A	77,600	2.59	N/A	N/A
6	Mrs Vandana Khemka	75,500	2.51	N/A	75,500	2.51	N/A	N/A
7	Mrs Chander Kala Khemka	390,200	13.06	N/A	390,200	13.06	N/A	N/A
	Total	1912110	63.77		1912110	63.77		

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	1912110	63.77	N/A	N/A
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			N/A	N/A
	At the end of the year	1912110	63.77		

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company

(v) **Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	1912110	63.77	N/A	N/A
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			N/A	N/A
	At the end of the year	1912110	63.77%		

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VII **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N/A	N/A	N/A	N/A	N/A
Punishment	N/A	N/A	N/A	N/A	N/A
Compounding	N/A	N/A	N/A	N/A	N/A
B. DIRECTORS					
Penalty	N/A	N/A	N/A	N/A	N/A
Punishment	N/A	N/A	N/A	N/A	N/A
Compounding	N/A	N/A	N/A	N/A	N/A
C. OTHER OFFICERS IN DEFAULT					
Penalty	N/A	N/A	N/A	N/A	N/A
Punishment	N/A	N/A	N/A	N/A	N/A
Compounding	N/A	N/A	N/A	N/A	N/A

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Annexure-II

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2019

To,
The Members,
KCL LIMITED,
E-292, SARITA VIHAR,
NEW DELHI-110044

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **KCL Limited** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **KCL Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **KCL Limited** for the financial year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- vi.

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- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (No transaction has been recorded during the Audit Period)
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(No transaction has been recorded during the Audit Period)*
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No transaction has been recorded during the Audit Period)*
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(No transaction has been recorded during the Audit Period)*

As informed to us the following other laws specifically applicable to the Company as under and as confirmed & declared by the management, the Company has duly complied the same:-

- 1. The Employees Provident fund and Miscellaneous Provisions Act, 1952 along with labour laws.
- 2. Employees State Insurance Act, 1948
- 3. Maternity Benefit Act, 1961
- 4. Payment Gratuity Act, 1972
- 5. Factories Act, 1949
- 6. Environmental Act, and its allied applicable laws

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements/ Regulations including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above save and except the following:-

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(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 13 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in submitting Statement of Investor Complaints for the Quarter ended March, 2018	For the Quarter ended 31 st March, 2018- Delayed by 1 day
2.	Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in submitting financial statements along with Limited Review Report for the following quarter ended: 1. 31 st Dec, 2018 2. 30 th Sep, 2018 3. 30 th June, 2018 4. 31 st March, 2018	1. For the Quarter ended 31 st Dec, 2018- Delayed by 4 days 2. For the Quarter ended 30 th Sep, 2018- Delayed by 6 days 3. For the Quarter ended 30 th June, 2018- Delayed by 6 days 4. For the Quarter ended 31 st March, 2018- Delayed by 1 Month &9 days
3.	Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in giving prior intimation of meeting of the Board of Directors held on 30 th May, 2018	Delayed by two(2) days for giving prior intimation regarding Board Meeting to consider and to take on record inter alia, the Audited Financial Results for the fourth quarter and year ended on March 31, 2018.
4.	Regulation 29 of the SEBI (Listing Obligations and	Delay in giving prior intimation	Delayed by One(1) days for giving prior

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	Disclosure Requirements) Regulations, 2015	of meeting of the Board of Directors held on August 14, 2018	intimation regarding Board Meeting to consider and to take on record inter alia, the un-audited Financial Results for the quarter ended on June 30, 2018.
5.	Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011	Company has not filed the Annual Disclosure	The Company has not filed the Annual Disclosures as per Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
6.	Regulation 17 to 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition of Board and its Committees	Board and its Committees are not duly constituted as prescribed under Regulation 17 to 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7.	Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Website of the Company	Company website https://www.kcl.co.in is not maintained as per Companies Act, 2013 and as per Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(b) Except as mentioned above, the listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

In addition to above there are following observation:-

1. **Non compliance of Section 185 & 186 of the Companies Act:** The Company has given interest free loans/ advances to the related parties as defined in the Companies Act, 2013 and Rules made thereunder and therefore have not complied with the provisions of Section 185 & 186 of the Companies Act, 2013.

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We further report that:

In respect to other applicable laws specifically applicable to the Company, we have relied on information / records / declaration / declaration produced / furnished by the Company during the course of our audit and the reporting is limited to the extent.

Except as mentioned above, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same are captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period there were no specific instances / events pursuant to the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

For Vikas Verma & Associates
Company Secretaries

Vikas Kumar Verma
CP No. 10786
Membership No. F 9192

Date:-30-05-2019
Place:-New Delhi

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Annexure- III

FORM NO. AOC- 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

- **Details of contracts or arrangements or transactions not at arm's length basis:** KCL Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
- **Details of material contracts or arrangement or transactions at arm's length basis:** KCL Limited has entered into the following contract or arrangement or transaction with its related parties which is at arm's length during financial year 2018-19

Name of Related Party and Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of contracts/ arrangement/ transactions	Salient terms of contracts/ arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance , if any
FHS	Rent Paid	As per Contract	12,00,000		Nil
Wellness Foods and KCL Milk	Purchases	As per Contract	Nil		Nil
Mr. Shyam Sunder Khemka and Mrs. Chander Kala Khemka	Rent Paid	As per Contract	61,80,000		Nil

By the order of the board
For KCL Limited

Place: Faridabad
Date: 30.05.2019

SD/-
(Rajeev Khemka)
Director
DIN: 00103260

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Annexure-IV

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Code of Corporate Governance is based on the following principles:

The members of the Board are persons in whom the shareholders have reposed their confidence and trust. Persons appointed to the Board are conscious of their corporate and social responsibilities and maintain highest standards of integrity.

Highest standards of compliance, disclosure and transparency are maintained by the Company.

The company is committed to transparency in all its dealings and to provide high quality products and services to its customers and shareholders and regulatory compliance. The basic philosophy of corporate governance in the company is to achieve business excellence and enhance shareholder's value, keeping in view the need and interest of shareholders.

A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is given below:

2. BOARD OF DIRECTORS

As at March 31st, 2019, the Company has Eight Directors. Out of the Eight Directors, five (i.e. 62.50%) are executive directors and Three (i.e.37.50%) are non-executive and independent directors. All the three Non-Executive Directors are Independent Directors and are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence Companies Act, 2013 and the Listing Regulations.

The Board is well diversified and consists of one Woman Independent Director.

a) Appointment of Directors

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation.

Your Board has adopted the provisions with respect to appointment and tenure of

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Independent Directors consistent with the Companies Act, 2013 and the Listing

Regulations. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director.

b) Composition of the Board

Category of Directors	No of Directors	Percentage to total no of Directors
Executive Director	5	62.5
Non-Executive Independent Directors	3	37.5
Total	8	100

During the financial year under review, 6 (Six) meetings of the Board were held on April 02nd 2018, May 30th 2018, June 11th 2018, August 14th 2018, November 14th 2018 and February 14th 2019. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days

Name of Director Or	Category of Directorships	Number of Board meetings during the year 2018-19		Whether attended last AGM	Number of other Directorships		Committee Membership	
		Held	Attended				Chairman	Member
Shyam Sunder Khemka	Chairman M/Director	06	06	Yes	Nil		Nil	Nil
Chander Kala Khemka	Non Executive	06	06	Yes	Nil		Nil	3
Rajeev Khemka	Director	06	06	Yes	Nil		1	1
Ashish Khemka	Director	06	06	Yes	Nil		Nil	Nil
Sunil Bansal	Non Executive	04	04	Yes	Nil		1	2
Rahul Jain	Non Executive	06	06	Yes	Nil	Nil	0	3
Sanjeev Khemka	Director	06	06	Yes	Nil	Nil	Nil	1

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Deeptansh u Khemka	Director	06	06	Yes	Nil	Nil	Nil	Nil
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During the year a separate meeting of the independent Directors was held inter-alia to review the Performance of non-independent directors and the board as a whole. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

3. Committees of the board

a) Audit Committee

I The role of Audit Committee is as per Section 177 of the Companies Act 2013 read with Regulation 18 of SEBI (LODR) Regulations 2015

ii The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings

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- (e) Compliance with listing and other legal requirements relating to financial statements
- (f) Disclosure of any related party transactions
- (g) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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- Discussion with 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;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - Oversee financial reporting controls and process for Procurement of material;
 - To mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment and terms of remuneration of the internal auditor.
- (ii). The previous annual general meeting (AGM) of the Company was held on September 29, 2018 and was attended by Mr. Sunil Bansal, Chairman of the audit committee.
- (iii). The composition of the audit committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	4	4
Sunil Bansal	Independent, Non-Executive	4	4
Rahul Jain	Independent, Non-Executive	4	4

Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings

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were held are as follows: 30th May 2018, 14th August 2018, 14th November 2018, and 14th February 2019. The necessary quorum was present for all the meetings.

b) Nomination and remuneration committee

- The Nomination and Remuneration Committee of the Company is constituted in line with the Regulations 19 of SEBI (LODR) Regulations read with Section 178 of the Companies Act, 2013.
- Recommend to the board the set up and composition of the board and its committees. Including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- Shri Rahul Jain was designated as the Chairman of the Committee. During the year, one meeting of the Nomination and Remuneration committee was held on 31st December 2018. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	01	01
Sunil Bansal	Independent, Non-Executive	01	01
Rahul Jain	Independent, Non-Executive	01	01

- **Remuneration policy:**

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to

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achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. The Company pays remuneration by way of salary, benefits, perquisites and allowances.

Details of remuneration paid to Directors are as follows:

1. Remuneration to Executive Directors:

Name of the Director	Basic salary	Allowances	Perquisites	Performance Bonus/commission	Provident fund contribution	Total (P.M)
Shyam Sunder Khemka	200000	125000				325000
Rajeev Khemka	200000	125000				325000
Sanjeev Khemka	200000	125000				325000
Ashish Khemka	200000	125000				325000

Term of office/ Service contract time period for each director: N/A

2. Remuneration to Non-Executive directors :

Name of Director	Sitting Fees	Commission
Chander Kala Khemka	N/A	N/A
Rahul Jain	N/A	N/A
Sunil Bansal	N/A	N/A

c) Stakeholders' relationship committee

- The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised clause 49 of the Listing Agreement.
- During the year, one meeting of the stakeholders' relationship committee was held on 31st March, 2019 .The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

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Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	01	01
Sunil Bansal	Independent, Non-Executive	01	01
Rahul Jain	Independent, Non-Executive	01	01

- Shri Rahul Jain was designated as the Chairman of the Committee.
- There were no complaints received from Shareholders during the year.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report. The composition of the committee is as under:

Name	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Mr. Rajeev Khemka	Executive	02	02
Mr. Sanjeev Khemka	Executive	02	02
Mr. Sunil Bansal	Independent, Non-Executive	02	02

During the year, two meetings of the CSR committee was held on 23rd May, 2018 and 27th March 2019. Mr. Rajeev Khemka was designated as the Chairman of the Committee.

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken

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- Reviewing “social, political, economic and environmental trends that may have a significant impact on the Company’s business activities and performance.”
- Reviewing and evaluating “management’s goals, initiatives and practices for Social Responsibility” and “recommending goals, initiatives and practices for Social Responsibility to the Board of Directors.
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.

Average net profit of the company for last three financial years for the purpose of computation of CSR: 9.61 Cr

Prescribed CSR Expenditure (two per cent of the Average Net profit for last three years): Rs 19.23 lacs, But the company has contribute a total sum of Rs 24.48 lacs under the CSR activities.

e) EXECUTIVE COMMITTEE

The Board of Directors of the company has constituted a Committee namely “Executive Committee” who will decide and carry the routine activities of the day to day business and the role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises 4 (four) Executive Directors. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive

Committee as on 31st March, 2019, is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Rajeev Khemka	Chairman	13	13
Sanjeev Khemka	Member	13	13
Ashish Khemka	Member	13	13
Deeptanshu Khemka	Member	13	13

4. General body meetings

- **General meeting**
- Annual general meeting:

Financial year	Venue	Date & Time	Special Resolutions

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			Passed
2015-16	E-292, Sarita Vihar, New Delhi-110044	30.09.2016, 11.30 a.m.	Nil
2016-17	E-292, Sarita Vihar, New Delhi-110044	30.09.2017, 11.30 a.m.	Nil
2017-18	E-292, Sarita Vihar, New Delhi-110044	29.09.2018, 01:00 P.M.	Nil

- Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2018-19.

- **Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern.**

During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

5. Disclosures :

Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company.

1. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years 2015-16, 2016-17 and 2017-18 respectively. However there was delay in publication of the quarterly results and submission of LRR with the Stock Exchange on account of changes in the accounting procedures and implementation of IND AS on the listed companies.
2. The Company has not adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee.
3. The Company has fulfilled all the mandatory requirements as prescribed in Annexure XII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

6. Means of Communication

a. Quarterly Results:

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The Company publishes limited reviewed un-audited standalone financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results for the complete financial year.

B Newspapers wherein results normally published:

The quarterly/ half-yearly/ annual financial results are published in English and Hindi.

7. General shareholder information

Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : 30th Monday, September, 2019 Time : 01:00 P. M Venue : E-292, Sarita Vihar, New Delhi-110044
Financial Year	2018-19
Record Date	24 th September 2019
Registered office	E-292, Sarita Vihar, New Delhi-110044, Website: www.kcl.co.in
CIN	L74899DL1983PLC068008
Listing on Stock Exchanges	Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th Floor, Plot No C-62, Opp. Trident Hotel Bandra Kurla Complex, Bandra (E), Mumbai – 400098, Trading Symbol: KCLL. The Listing fees for the financial year 2017-18 have been paid by the Company within the stipulated time.
ISIN	INE061C01010
Registrar and Share Transfer Agent	BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062, Ph. 011-29961281-283 Fax 011-29961284

Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders' Grievance Committee. The Company obtains from a

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Company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Regulations 40 of SEBI (LODR) Regulations

c) Shareholding as on March 31, 2019:

● Distribution of equity shareholding as on March 31, 2019:

Sl. No	Category	Shareholders		No. of Shares			
		No.	% age of Total Shareholders	Physical form	Electronic form	Total	%age of Total Capital
1	Up to 5000	255	86.15	N/A	N/A	255	86.15
2	5001 to 10000	13	4.39	N/A	N/A	13	4.39
3	10001 to 20000	4	1.35	N/A	N/A	4	1.35
4	20001 to 30000	3	1.01	N/A	N/A	3	1.01
5	30001 to 40000	N/A	N/A	N/A	N/A	N/A	N/A
6	40001 to 50000	N/A	N/A	N/A	N/A	N/A	N/A
7	50001 to 100000	1	0.34	N/A	N/A	1	0.34
8	100001 & Above	20	6.76	N/A	N/A	20	6.76
	Total	296	100				

● Categories of equity shareholders as on March 31, 2019:

Sl. No	Category	Number of equity shares held	Percentage of holding
1.	Promoters	1812110	60.40
2	Mutual Funds	NIL	0
3	Banks/FI	NIL	0
4	Bodies corporate	837400	27.91
5	Individuals	350575	11.69
6	Non Resident Indians	NIL	0

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	Total	3000085	100
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d) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence it is not applicable on the company.

12. Plant locations:

The Company's plant Located at:

- a) Plot No. 275,276,297,298 and 135 Sector-24 Faridabad, Haryana
- b) Plot No. 11B, Udyog vihar, Greater Noida, Uttar Pradesh
- c) Baddi Division, Village Bir Pillasi, Tehsil Nalagarh, Distt. Solan, himachal Pradesh
- d) Bata Mandi, Ponta Sahib, Distt. Sirmour, H.P.
- e) Cheyyar Unit, Plot No. 5 Sipcot Industrial Area, Chayyar, Chennai.
- f) Sri City, 900 Rosewood Drive, Mopurupalli Village, Varadaiahpalm Mandal, Chittoor, Andhra Pradesh.

13. Address for correspondence

Plot No. 297, sector-24, Faridabad, Haryana-121005

14. Declaration by the Managing Director under Schedule V of SEBI (LODR) Regulations, 2015

In accordance with Schedule V of SEBI (LODR) Regulations with the Stock Exchanges, I hereby confirm that, all the Directors and the senior management personnel of the Company have affirmed Compliance to their respective codes of

conduct, as applicable to them for the Financial Year ended 31st March, 2019.

Date:30/05/2019
Place: New Delhi

By the order of the board
For KCL Limited
Sd/-
(Chander Kala Khemka)Chairperson
& Independent Director
DIN - 00103355

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Annexure-V

ANNUAL REPORT ON CSR ACTIVITIES

- 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the disadvantaged/marginalized cross section of the society by providing opportunities to improve their quality of life.

- 2. The composition of the CSR committee:**

Sl. No.	Name	Designation
01	Mr. Rajeev Khemka	Chairman
02	Mr. Sanjeev Khemka	Member
03	Mr. Sunil Bansal	Member

- 3. Average net profit of the company for last three financial years for the purpose of computation of CSR: 96193014Cr.**

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):Rs 19,23,860/-**

- 5. Details of CSR spent during the financial year:**

IV. Total amount to be spent for the financial year: **Rs 24,48,700/-**

V. Amount unspent: Nil

VI. Manner in which the amount spent during the financial year: Direct

- 6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

During the financial year 2018-19, the Company worked on conceptualizing and developing its CSR programme as per the guidelines prescribed in CSR rules under the Companies Act 2013. In this period, long-term CSR projects will be initiated keeping in mind the key focus areas of education, employability and entrepreneurship amongst the identified geographies of local and remote areas.

During the year, the Company has setup its CSR governance, monitoring and evaluation mechanism, CSR processes for project implementation and impact reporting.

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7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR

Policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**Sd/-
(Shyam Sunder Khemka)
Managing Director**

**Sd/-
(Rajeev Khemka)
Chairman, CSR Committee**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**Sd/-
(Shyam Sunder Khemka)
Managing Director**

**Sd/-
(Rajeev Khemka)
Chairman, CSR Committee**

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Annexure-vi

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development:

Packaging is an ever growing industrial sector in our country. On account of development in infrastructure, manufacturing, agriculture, service sector and change in life style of the people, the growth in packaging industry has also shown a fast growth. Nowadays the modern retailing channels such as supermarkets and hypermarkets is the main driver towards shifting to packaged goods. As these modern retail outlets are better equipped to showcase packaged products compared to India's traditional retail outlets, the role of packaging in influencing purchasing decisions in-store is greatly increasing and this has made packaging an even more important marketing tool than ever before. Demand for packaging of different types continued to rise in India, out of which Paper-based packaging materials are behind some of the most groundbreaking developments in the industry today. Paper and paper-based packaging is the largest sector in the worldwide market for packaging the products like Electrical & Electronic appliances, medicines, cosmetics, automobiles etc. Similarly food products more particularly healthy food & Breakfast cereals have shown a very significant growth through the retail market channels as such food products also having good market potentiality.

b) Opportunities and threats:

KCL Limited is one of the leading and largest company in Paper Packaging and Printing Industry in the Northern India. It has provided remarkable packaging solutions to a wide range of industry like: consumer durables, white goods, FMC, apparel and footwear, fresh produce, engineering and auto components, etc.

We believe that the following aspects of our business will help us to sustain our growth and grow even faster in the times to come,

- Packaging solution to the larger clients.
- Modern and latest packaging & food processing machineries.
- A range of healthy food products under the brand name "MURGINNS",

Even with the consistent growth of packaging, printing & food industry, there are still some difficulties faced by this industry;

- Rise in Input costs
- Lack of proper distribution channel
- More marketing moving online
- Competition with substitute forms of packaging international quality
- Rapidly changing technology in printing & packaging industry
- Very difficult to change taste of food products used by the customers

c) Segment wise Performance:

Company operations are focused in two primary Business Segments;

1. Packaging Products: Engaged in manufacturing of Corrugated boxes, Duplex boards &

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Printed Cartons situated at different locations.

2. Food Products : Engaged in manufacturing of Food products (Wafer sticks & Extruded cereals products & ready to use bakery products).

The Packaging products have major contribution towards total Revenue. However the food products are also picking up in the market.

d) Risk and Concerns:

- Huge investment on automatized machinery and R&D setup
- Competitive prices
- Adoption of latest quality processes and supply chains
- Food Products is a new Fine, which need more Publicity and Marketing.

e) Future Outlook:

- The future of the packaging market is certainly looking bright. Packaging is believed to be the key method of communicating the value added benefits of a product to the consumers.
- Packaging product has regular demand from our existing clients and new customers have aim shown their interest in our products on latest Corrugated/Printing Machinery and locational benefits for supply to southern parts of the country.
- Food products have made tied with big brands like: Heinz, Nestle, Cadbury, Reliance etc, to manufacture their products in their brand name.

f) Internal control systems and their adequacy:

The audit committee periodically reviews internal control system, which are designated to ensure that the over head levels are reduced to the minimum.

The Company's internal financial control systems are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies.

The audit committee deliberated with the members of the management, considered the systems as laid down and met the statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The audit committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the board of directors informed.

g) Human resources/ industrial relations and Employee Base:

The company, with a total employee strength of 650 as of year ended 2018-19, continues to accord high priority to human resource development. The human resource (HR) strategy is focused on creating a performance-driven environment in the Company, where innovation is encouraged, performance is recognized and employees are motivated to realize their potential.

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HR is the core of the Company, influencing change, building culture and capabilities. The HR processes are continuously evolving and aligning with the changing business requirements. HR is structured into the specialized business units to enable them respond better to the needs of their customers and get more strategic advantage. The HR organization is equipped with multicultural leaders capable to handle tremendous volatility in the economic, regulatory and cultural sphere around the world.

h) Discussion on financial performance with respect to operational performance:

The Key features of the Company's Financial performance for the year ended 31st March, 2019 are presented in the Financial statements, which have been prepared in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India, and in compliance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

i) Cautionary Statements

Statements made in this report forming part of the disclosure related to management, discussion and analysis describing the company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ material from those expressed or implied. Important factors that could influence the company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, finance costs, changes in government regulations, tax laws and other factors such as industrial relations.

j) Acknowledgement

The directors of the company wish to express their appreciation for the continued co-operation of the central and state governments, bankers, financial institutions, customers, dealers and suppliers and all the valuable assistance received from the shareholders. The directors also wish to thank all the employees of the company for their contribution, support and continued co-operation throughout the year.



ROHIT BAID & Co.
Chartered Accountant

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KCL LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of KCL LIMITED (the 'Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Address: 2B/49, N.I.T., Faridabad-121001
Ph. no. 91-9953450129
Email ID: rohitbaid03@gmail.com



Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	how our audit addressed the key audit matter
Refer Note 12.1 Time period of Loans given to related parties is not defined / available, therefore the same has not been discounted in accordance with Ind AS 109 - "Financial Instruments". Considering the materiality of the amounts involved, the significant management judgement required in estimating the recovery of loan and such estimates and judgements being inherently subjective, this matter has been identified as a key audit matter for the current year audit.	-Obtained an understanding of management's assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions used in management's calculated recoverable value. -Based on our procedures, we considered that the adequacy of disclosures in respect of loan given to related parties is not appropriate in the notes to the financial statements

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a



material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

7. 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the audit of the Financial Statements

10. 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 financial statements.

11. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
12. 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.



13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act
16. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, 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 Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flow and Statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note No.38.5, 38.6, 38.7 & 38.8 to the Ind AS 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. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For ROHIT BAID & CO.
Chartered Accountants
(Firm Registration No. 031122N)



CA ROHIT BAID
Proprietor
Membership No. 535947



Place: Faridabad
Date: 30.05.2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF KCL LIMITED
(Referred to in paragraph 16 under the heading of "Report on other legal and regulatory requirements"
of our Independent Auditors' report to the members of KCL LIMITED the Ind AS financial statements for
the year ended 31 March 2019, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the management has physically verified its fixed assets at reasonable intervals during the year and no material discrepancy was noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are holding the name of the Company.

ii. We have been explained by the management that the inventory have been physically verified at reasonable intervals during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

iii. The Company has granted unsecured loans, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(a) *On the basis of information & explanations given to us and based on our verification, we are of the opinion that the terms and conditions of granting of loans are prejudicial to the company's interest on account of granting such loans as interest free to the parties covered under section 189 of the Companies Act, 2013, having outstanding balance of Rs. 973.58 Lakhs as at 31.03.2019.*

(b) *There is no pre-determined schedule for repayment of principal amount of such loans; however, as explained to us by the management of company, such loans are repayable on demand.*

(c) *Since there is no pre-determined schedule for repayment of granting such interest free loans and therefore, we are unable to make any specific comment on the amount overdue, if any.*



- iv. During the year under review the company has outstanding loans / advances to the persons in whom the director is interested and at the close of year 31.03.2019 an amount of Rs.973.58 Lakhs was outstanding against such loans / advances and therefore we are of the opinion that provisions of Section 185 of the Companies Act, 2013, has not been complied with by the company and so far as the provisions of Section 186 of the Companies Act, 2013, has been concerned, it is not applicable on the company.
- v. The Company has not accepted any deposit from the public, therefore provisions of Section 73 to 76 or any other relevant provisions of the companies Act, 2013 are not applicable to the Company.
- vi. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, for the activity conducted by the Company and we are of the opinion that prima facie the prescribed accounts and records have been maintained. However we have not made detailed examination of such accounts and records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state Insurance, income tax, sales tax, goods & service tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2019 *except income tax demand of Rs.3,24,051/- related to A.Y. 2009-10 to A.Y. 2013-14.*

(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute *except as under:*

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where disputes is pending
Excise & Taxation, Himachal Pradesh	Sales Tax	Rs.13,14,445/-	F.Y. 2010-11	Additional Excise and Taxation, Commissioner-Cum –Appellate Authority, Himachal Pradesh



- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks. The Company has not obtained any loans from debenture holders, financial institution and government.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.
- x. 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, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, this clause is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the requirement of Section 42 of the Companies Act, 2013 are not applicable.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of Section 192 of Companies Act, 2013 are not applicable to the company.



- xvi. The company is not a Non-Banking Financial Company (NBFC) and therefore registration requirement under section 45-IA of the Reserve Bank of India Act, 1934, is not applicable to the company.

For ROHIT BAID & CO.
Chartered Accountants
(Firm Registration No. 031122N)



CA ROHIT BAID
Proprietor
Membership No. 535947



Place: Faridabad
Date: 30.05.2019

ANNEXURE –B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF KCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 17(f) of ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial controls over financial reporting of **KCL LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. 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 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.

Auditors’ 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 the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 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 was 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 system over financial reporting and their operating effectiveness. Our audit of internal



financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 financial statements, 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 control 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 control 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 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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 the policies or procedures may deteriorate.



Opinion

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

For ROHIT BAID & CO.

Chartered Accountants

(Firm Registration No. 031122N)



CA ROHIT BAID

Proprietor

Membership No. 535947



Place: Faridabad

Date: 30.05.2019

KCL LIMITED

CIN: L74899DL1983PLC068008

Balance Sheet as at 31ST MARCH 2019

Amount in Rs

Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,030,266,470	881,886,624
Capital work-in-progress	3	145,860,690	199,079,759
Intangible assets	3	477,551	1,140,724
Financial Assets			
i Investments	4	5,611,480	5,578,355
ii Other financial assets	5	10,083,710	8,683,043
Deferred Tax Assets (net)	6	-	-
Other non-current assets	7	711,271	19,941,448
Total Non-Current Assets		1,193,011,172	1,116,309,953
Current Assets			
Inventories	8	239,458,561	217,933,340
Financial Assets			
i Trade receivables	9	432,202,398	338,319,467
ii Cash and cash equivalents	10	5,673,453	2,251,867
iii Bank balances other than (ii) above	11	747,594	375,514
iv Loans	12	104,137,102	102,617,849
Current Tax Assets (Net)	13	1,744,287	653,462
Other current assets	14	109,909,202	85,247,815
Total Current Assets		893,872,597	747,399,314
Total Assets		2,086,883,769	1,863,709,267
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	30,000,850	30,000,850
Other Equity	16	860,726,399	822,686,501
Total Equity		890,727,249	852,687,351
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	422,565,408	364,702,099
Provisions	18	2,373,454	1,892,424
Deferred Tax Liabilities (Net)	19	21,657,200	16,073,300
Other Non-Current Liabilities	20	12,845,285	18,271,110
Total Non-Current Liabilities		459,441,347	400,938,933
Current Liabilities			
Financial Liabilities			
i Borrowings	21	107,324,755	107,940,907
ii Trade Payables	22	478,061,430	358,439,033
iii Other financial liabilities	23	142,531,633	139,796,659
Other Current Liabilities	24	8,378,458	3,619,488
Provisions	25	418,897	286,896
Current Tax Liabilities (Net)	26	-	-
Total Current Liabilities		736,715,173	610,082,983
Total Liabilities		1,196,156,520	1,011,021,916
Total Equity and Liabilities		2,086,883,769	1,863,709,267

Significant Accounting Policies 2

Notes to Accounts 1-46

Accompanying Notes are an integral part of the financial statements

As per our report of even date attached

for and on behalf of the Board

For ROHIT BAID & CO.

(CHARTERED ACCOUNTANTS)

FRN No.031122N

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2019



SHYAM SUNDER KHEMKA
(Chairman Cum Managing Director)

DIN No 00103387

SANJEEV KHEMKA
(Director)

DIN No 00103295

RAJEEV KHEMKA
(Director)

DIN No 00103260

ASHISH KHEMKA
(Director)

DIN No 00103321

AMIT AGGARWAL
(Company Secretary)

KCL LIMITED

CIN-L74899DL1983PLC068008

Statement of Profit & Loss for the period ended 31ST MARCH, 2019

Amount in Rs

Particulars	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
INCOME			
Revenue from Operations	27	2,969,138,763	2,552,740,135
Less : GST Recovered		353,768,285	218,090,781
		<u>2,615,370,478</u>	<u>2,334,649,354</u>
Other Income	28	3,266,072	4,310,540
Total Revenue		<u><u>2,618,636,550</u></u>	<u><u>2,338,959,894</u></u>
EXPENSES			
(a) Cost of Materials Consumed	29	1,720,049,142	1,516,742,183
(b) Changes in Inventories of Finished Goods & Work-In-	30	(6,686,321)	(47,680,031)
(c) Excise Duty		385,008	34,448,935
(d) Employee Benefits Expense	31	249,557,959	219,657,653
(e) Finance Costs	32	50,757,971	43,578,700
(f) Depreciation and Amortization Expenses	33	126,050,828	137,689,185
(g) Other Expenses	34	435,647,774	381,434,826
Total Expenses		<u>2,575,762,361</u>	<u>2,285,871,451</u>
Profit before tax		<u>42,874,189</u>	<u>53,088,443</u>
Tax expense:			
Current Tax		9,110,000	10,670,000
Mat Credit Entitlement		(9,110,000)	-
Income Tax related to earlier years		1,995	63,738
Deferred Tax Adjustment		5,583,900	6,428,199
Total Tax Expenses		<u>5,585,895</u>	<u>17,161,937</u>
Profit for the year		<u><u>37,288,294</u></u>	<u><u>35,926,506</u></u>
Other Comprehensive Income/(Expense)			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of investment at fair value		33,125	(133,030)
(ii) Remeasurement of net defined benefit plans		718,479	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the year		<u>38,039,898</u>	<u>35,793,476</u>
Earnings per Equity Share of face value of Rs.10/- each			
Basic		12.68	11.93
Diluted		12.68	11.93

Significant Accounting Policies 2
Notes to Accounts 1-46

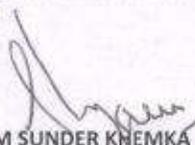
Accompanying Notes are an integral part of the financial statements

As per our report of even date attached

For ROHIT BAID & CO.

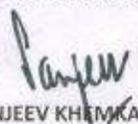
(CHARTERED ACCOUNTANTS)

FRN No.031122N

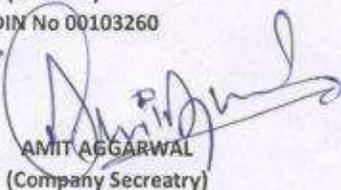

SHYAM SUNDER KHEMKA
(Chairman Cum Managing Director)
DIN No 00103387


RAJEEV KHEMKA
(Director)
DIN No 00103260

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947


SANJEEV KHEMKA
(Director)
DIN No 00103295


ASHISH KHEMKA
(Director)
DIN No 00103321


AMIT AGGARWAL
(Company Secretary)

Place : Faridabad
Date: 30-05-2019

KCL LIMITED**CIN-L74899DL1983PLC068008****Cash Flow Statement for the year 2018-19**

Amount in Rs.

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Cash Flow from Operating Activities		
Net Profit before Tax	42,874,189	53,088,443
<i>Add</i>		
loss on sales of fixed assets	-	-
Depreciation and Amortisation	126,050,828	137,689,185
Provision for Gratuity & Leave Encashment	(379,558)	1,263,245
Sundry Balances Written off	103,234	259,069
Provision for CSR Expenses	-	-
Finance Costs	50,757,971	43,578,700
<i>less</i>		
Profit on Sale of Assets	(167,975)	(402,428)
Sundry Balances Written off	(2,044,617)	(730,267)
Provision written off no longer required	-	(2,725,977)
Interest Income	(428,032)	(308,629)
Operating Profit before Working Capital changes	216,766,040	231,711,341
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase) / decrease in Operating Assets:</i>		
Inventories	(21,525,221)	(123,006,909)
Trade Receivables	(93,986,165)	(3,102,765)
Loans, other financial assets and other assets	(16,760,239)	(4,797,551)
Other Non Current Assets		
<i>Adjustments for increase / (decrease) in Operating Liabilities:</i>		
Trade Payables	121,667,014	155,060,005
Other financial liabilities, other liabilities and provisions	(1,094,557)	(11,891,562)
Other Current Liabilities		
Cash generated from Operations	205,066,872	243,972,559
Interest Paid		
Income Tax Paid (Net of Refunds)	(10,202,820)	(21,839,456)
Net Cash Flow from Operating Activities (A)	194,864,052	222,133,103
B. Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment & Intangible Assets (including Capital Advances)	(208,345,653)	(210,458,026)
Increase in Investment		
Increase/decrease in Long Term Capital Advances		
Proceeds from Sale of Fixed Assets	1,769,548	526,193
Interest Received	428,032	308,629
creditor for capax		
Net Cash Flow from / (used in) Investing Activities (B)	(206,148,073)	(209,623,204)



Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	66,451,810	23,805,973
Net increase / (decrease) in Working Capital Borrowings	(616,152)	(9,910,300)
Interest Paid	(50,757,971)	(43,578,700)
Net Cash Flow from / (used in) Financing Activities (C)	15,077,687	(29,683,027)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	3,793,666	(17,173,128)
Cash and Cash Equivalents at the beginning of the year	2,627,381	19,800,509
Cash and Cash Equivalents at the end of the year	6,421,047	2,627,381
Cash and Cash Equivalent consists of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amount as per note no.10 & 11.		
Cash and Cash Equivalents at the end of the year * Comprises:		
(a) Cash on hand	916,333	447,725
(b) Balances with Banks		
(i) In Current Accounts	4,707,836	1,857,285
(ii) In Fixed Deposits	60,118	55,737
(iii) In Margin Money Accounts	736,760	266,634
	6,421,047	2,627,381

As per our report of even date attached
For ROHIT BAID & CO.
(CHARTERED ACCOUNTANTS)
FRN No.031122N

Rohit

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2019



For and on behalf of the Board

Shyam Sunder Khemka
SHYAM SUNDER KHEMKA
(Chairman Cum Managing Director)
DIN No 00103387

Sanjeev Khemka
SANJEEV KHEMKA
(Director)
DIN No 00103295

Rajeev Khemka
RAJEEV KHEMKA
(Director)
DIN No 00103260

Ashish Khemka
ASHISH KHEMKA
(Director)
DIN No 00103321

Amit Aggarwal
AMIT AGGARWAL
(Company Secreatry)

KCL LIMITED

Statement of Changes in Equity for the year ended 31st March, 2019

A. Equity Share Capital

	No. of Shares	Amount in Rs
As at 1st April, 2017	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2018	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2019	3,000,085	30,000,850

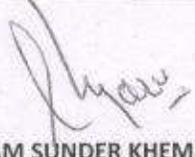
B. Other Equity

Amount in Rs

Particulars	Reserves and Surplus				Total
	Capital Reserve	Security Premium Account	General Reserve	Retained Earnings & Other Comprehensive Income	
As at 1st April, 2017	10,713,772	24,901,400	650,324,176	100,953,677	786,893,025
Profits for the year	-	-	-	35,926,506	35,926,506
Amount transferred to General Reserve	-	-	20,000,000	(20,000,000)	-
Other comprehensive income for the year	-	-	-	(133,030)	(133,030)
Total comprehensive income for the year	-	-	-	35,793,476	35,793,476
As at 31st March, 2018	10,713,772	24,901,400	670,324,176	116,747,153	822,686,501
Profits for the year	-	-	-	37,288,294	37,288,294
Amount transferred to General Reserve	-	-	20,000,000	(20,000,000)	-
Other comprehensive income for the year	-	-	-	751,604	751,604
Total comprehensive income for the year	-	-	-	38,039,898	38,039,898
As at 31st March, 2019	10,713,772	24,901,400	690,324,176	134,787,051	860,726,399

As per our report of even date attached

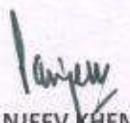
For ROHIT BAID & CO.
(CHARTERED ACCOUNTANTS)
FRN No.031122N


SHYAM SUNDER KHEMKA
(Chairman Cum Managing Director)
DIN No 00103387

RAJEEV KHEMKA
(Director)
DIN No 00103260


(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2019




SANJEEV KHEMKA
(Director)
DIN No 00103295


ASHISH KHEMKA
(Director)
DIN No 00103321


AMIT AGGARWAL
(Company Secretary)

KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

1 COMPANY INFORMATION

KCL LIMITED (the 'Company') is a domestic public limited company with Registered office situated at E-292, Sarita Vihar, New Delhi-110044 and is listed on Metropolitan Stock Exchange of India Limited (MSEI). The company is one of the leading manufacturer of Corrugated Boards & Boxes and Healthcare Food Products. It has Manufacturing Facilities at Faridabad, Greater Noida (U.P.), Baddi and Paonta Sahib (H.P.), Chayyar (Tamil Nadu) & Sricity (A.P.). The products are supplied to reputed buyers in the field of FMCG products, Auto Sector & Food Industries. Most of the marketing and commercial activities are handled directly by the company from its Corporate office situated at Faridabad.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value.

2.2 Use of Estimates

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.3 Classification of Assets and Liabilities

Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

- (a) An asset shall be classified as current when it satisfies any of the following criteria:
- (i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - (ii) it is held primarily for the purpose of being traded;
 - (iii) it is expected to be realized within twelve months after the reporting date; or
 - (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

- (b) All assets other than current assets shall be classified as non-current.
- (c) A liability shall be classified as current when it satisfies any of the following criteria:
- (i) it is expected to be settled in the Company's normal operating cycle;
 - (ii) it is held primarily for the purpose of being traded;
 - (iii) it is due to be settled within twelve months after the reporting date; or
 - (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- (d) All liabilities other than current liabilities shall be classified as non-current.

2.4 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company has ascertained the operating cycle as twelve months for the purpose of current or Non-current classification of assets and liabilities.

2.5 Inventories

Raw Material, Work-in-Process, Finished goods are valued at lower of cost and net realisable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Cost is computed on the weighted average basis and is net of recoverable taxes, where as Stores and Spares parts are valued at cost on basis of FIFO method. Finished Goods, Work in Process includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

2.6 Property, Plant and Equipment

Tangible Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the W.D.V method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. For new projects, for direct expenses and direct overheads including interest on Borrowed funds for the acquisition of Assets are capitalized till the assets are ready for intended use.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful life by major class of finite-life intangible asset is as follows:

Computer software - 3 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

2.7 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it was incurred.

2.8 Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

2.9 Revenue Recognition

The Company generally follows Mercantile System of Accounting and recognises significant items of income and expenditure on accrual basis except claims those with significant uncertainties e.g insurance claims which are accounted for on cash basis.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customers and is stated inclusive of excise duty, sales tax & GST. Revenue from the sale of goods is stated at net after adjusting the returns, rebates & discounts.

Interest income is recognized on at time proportion basis taking into account the amount outstanding and the rate applicable.

2.10 Foreign Exchange Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as income or as expenses for the year.

Non-monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected separately in the Statement of Profit & Loss.

2.11 Excise Duty :

Excise duty has been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in bonded warehouse

After Implementation of Goods & Service Tax Act w.e.f. 01.07.2017, the provisions of GST are applicable and accordingly the books of accounts have been prepared.

2.12 Government Grants

Government grants available to the company are recognised when there is a reasonable assurance to compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature promoters' contribution is credited to capital reserve. Government subsidy for specific asset is reduced from cost of the said asset.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

2.13 Employees Benefits :-

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and the undiscounted amount of such employee benefits are recognised in Statement of Profit and Loss in the period in which the employee renders the related services. These benefits include salaries, wages, bonus, performance incentives etc.

Defined Benefit Plan

Gratuity and long-term compensated absences are provided for based on actuarial valuation carried out at the close of each period. The actuarial valuation is done by an Independent Actuary as per projected unit credit method.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged to 'Employee benefits expense' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Defined Contribution Plan

Contributions to defined contribution schemes such as employee state insurance scheme, employee provident fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

2.14 Cash & Cash Equivalents

Cash and Cash Equivalents comprises cash and cash on deposit with banks. The company considers all highly liquid investment with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

2.16 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternate Tax (MAT) Credit:

Minimum Alternate Tax credit is recognized, as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Deferred Tax:

Deferred tax is recognised on temporary 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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.17 Provision and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.18 Financial Instruments

a). Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL).

Investments in unquoted equity shares of related parties

The Company has accounted for its investments in unquoted equity shares of related parties at cost.

Other investments in quoted equity share

All quoted equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b). Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

2.19 Earnings per Share

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period.

For the purpose of calculating Diluted Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares.

2.20 Miscellaneous Expenditure

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective Shares.

2.21 Derivative financial instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Amount in Rs.

Note 3 Property, Plant & Equipment

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2018	Additions	Sales / or Adjustment	As at 31.03.2019	As at 01.04.2018	For the year	Sales / or Adjustment	As at 31.03.2019	As at 31.03.2018
Land	56,638,248	820,874		57,459,122	-			57,459,122	56,638,248
Lease hold Land	95,562,314	2,465,082		98,027,396	-			98,027,396	95,562,314
Building	404,816,216	9,415,286		414,231,502	137,403,484	25,069,822		251,758,196	267,412,732
Tubewell	878,233			878,233	723,389	22,480		132,364	154,844
Plant & Machinery	961,122,805	236,690,577	2,265,505	1,195,547,877	577,690,986	76,006,733	958,779	542,808,937	383,431,819
Electric Installations	34,195,944	1,852,676		36,048,620	17,892,139	4,273,663		13,882,818	16,303,805
Moulds & Dies	445,195			445,195	327,187	3,603		114,405	118,008
Testing & Checking	7,217,196	552,611		7,769,807	4,713,410	596,440		2,459,957	2,503,786
Fire Fighting Equipment	5,879,719	1,212,119		7,091,838	1,516,800	1,200,100		4,374,938	4,362,919
Furniture & Fixture	20,802,480	5,992,634		26,795,114	11,669,807	2,465,179		12,660,128	9,132,673
Computer	17,457,524	1,349,362		18,806,886	15,257,236	1,325,530		2,224,120	2,200,288
Office Equipments	7,031,657	1,452,625		8,484,282	5,763,819	664,299		2,056,164	1,267,838
Intercom Systems	3,793,031	413,424		4,206,455	3,129,130	310,122		767,203	663,901
Air Conditioner	8,164,161	341,436		8,505,597	5,248,197	775,320		2,482,080	2,915,964
Vehicle	61,465,518	2,259,282	1,134,106	62,590,694	40,441,231	6,522,121	456,182	16,083,524	21,024,287
Trucks & Tractors	58,076,727	10,990,308	1,262,628	67,804,407	40,409,117	5,942,865	1,193,358	22,645,783	17,667,610
Material Handling Equipments	1,738,868	13,125		1,751,993	1,213,280	209,378		329,335	525,588
Temporary Construction	43,728			43,728	43,728			-	-
Total	1,745,329,564	275,821,421	4,662,239	2,016,488,746	863,442,940	125,387,655	2,608,319	1,030,266,470	881,886,624
Previous year	1,610,295,630	138,227,272	3,193,338	1,745,329,564	730,528,328	135,984,185	3,069,573	881,886,624	879,767,302



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Note 3 Property, Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Sales / or Adjustment	As at 31.03.2018	As at 31.03.2017	For the year	Sales / or Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Intangible Assets										
Computer Software	5,744,444			5,744,444	4,603,720	663,173	-	5,266,893	477,551	1,140,724
Total	5,744,444	-	-	5,744,444	4,603,720	663,173	-	5,266,893	477,551	1,140,724
Previous year	4,494,256	1,250,188	-	5,744,444	2,898,722	1,704,998	-	4,603,720	1,140,724	1,595,534
Capital Work in Progress										
Plant & Machinery	173,869,029	118,670,828	171,889,897	120,649,960	-	-	-	-	120,649,960	173,869,029
Land & Building	25,210,730			25,210,730	-	-	-	-	25,210,730	25,210,730
Total	199,079,759	118,670,828	171,889,897	145,860,690	-	-	-	-	145,860,690	199,079,759
Previous year	114,061,182	86,017,591	999,014	199,079,759	-	-	-	-	199,079,759	114,061,182



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

4 Investments

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Investments measured at Cost		
Unquoted Equity Shares		
i) 42000 Equity Shares of Ginni Packaging Private Limited of Rs.10/- each fully paid up.	422,100	422,100
ii) 490000 Equity shares of M/s KCL Milk Products india Private Limited of Rs.10/- each fully paid up.	4,900,000	4,900,000
Investments measured at Fair Value Through Other Comprehensive Income)		
Quoted Equity Shares		
5300 Equity Shares of M/s Allahabad Bank of Rs.10/- each fully paid up	289,380	256,255
Total	5,611,480	5,578,355

4.1 The company has outstanding investment in equity shares of intra group companies aggregating Rs. 53.22 Lacs as at March 31, 2019, however, net worth of such intra group company has been eroded as per latest audited financial statement available of such company. The Company has not evaluated whether any impairment provision is required for expected credit losses in accordance with Ind AS 109 - "Financial Instruments" due to uncertainty of recovery on disposal of said assets.

5 Other Financial Assets

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Security Deposits with government authorities & others	10,083,710	8,683,043
Total	10,083,710	8,683,043

5.1 Time period of Security Deposit with government authorities and others is not defined / available, therefore security deposit is not discounted in accordance with Ind AS 109 - "Financial Instruments".

6 Deferred Tax Assets (Net)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Deferred Tax Assets		
Provision for Retirement Benefits	-	-
Fixed Assets	-	-
Others	-	-
Total Deferred Tax Assets	-	-



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

7 Other non-current assets

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Advance for Capital Goods (A)	-	19,230,177
Preoperative Expenses (subject to allocation) Brought Forward	711,271	687,849
Addition during the year	-	23,422
Less : Transferred during the year	-	-
Preoperative Expenses (B)	711,271	711,271
Total (A + B)	711,271	19,941,448

8 Inventories

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Raw materials	141,858,434	132,817,340
Work-in-Progress	44,354,725	42,376,212
Finished Goods	35,004,154	30,489,426
Scrap	303,080	110,000
Stores and Spares	17,938,168	12,140,362
Goods In Transit	-	-
Total	239,458,561	217,933,340

* Inventories have been hypothecated with banks against working capital loans.

9 Trade Receivables

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
- Unsecured, Considered Good	428,068,901	338,319,467
- Doubtful	4,133,497	-
Total	432,202,398	338,319,467

9.1 Trade Receivables have been hypothecated with banks against working capital loans.

9.2 The Company has filed demand notice u/s 8 of The Insolvency and Bankruptcy Code, 2016 ,against four debtors involving amount of Rs.41.33 Lacs for recovery and the matter is pending with NCLT.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

10 Cash and cash equivalents

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Cash and Cash Equivalents		
Cash in hand (as certified by the management)	916,333	447,725
Balances with Banks	-	-
- In Current Accounts	4,697,002	1,748,405
- Fixed Deposits (with Banks)	60,118	55,737
Total	5,673,453	2,251,867

11 Bank balance other than cash and cash equivalents

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Other Bank Balances		
- In Margin Money Accounts	736,760	266,634
- In Employees Group Gratuity Saving Bank Account	10,834	108,880
Total	747,594	375,514

12 Loans

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Loans to Related Parties		
Unsecured & considered good, unless otherwise stated, as certified by the management		
- Inter Corporate Loans (Refer Note No. 40)	97,358,055	96,190,196
- Others	1,375,028	1,374,468
Loans and Advances to Employees	5,404,019	5,053,185
Total	104,137,102	102,617,849

12.1 Time period of Loans to related parties is not defined / available, therefore the same has not been discounted in accordance with Ind AS 109 - "Financial Instruments".

12.2 Time period / recovery period of Loans and Advances to Employees is not defined / available in most of the cases, therefore the same has not been discounted in accordance with Ind AS 109 - "Financial Instruments".



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

13 Current Tax Assets (Net)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Current Tax assets (net)	1,744,287	653,462
Total	1,744,287	653,462

14 Other current assets

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Considered good, unless otherwise stated		
Prepaid Expenses	3,975,400	4,012,391
MAT Credit Entitlement	40,710,000	31,600,000
Balance with Government Authorities		
(i) Balance with Central Excise & GST Dept	47,492,840	34,280,156
(ii) VAT Credit Receivable	1,460,872	5,150,365
Others		
(i) Advance to Suppliers & Others	11,219,013	10,014,411
(ii) Advance to Gratuity Fund	1,711,068	-
(iii) Other Receivables	3,340,009	190,492
Total	109,909,202	85,247,815



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation

15 SHARE CAPITAL

	As at 31-Mar-2019	As at 31-Mar-2018
Equity Share Capital :		
<u>Authorised Share Capital:</u>		
50,00,000 Equity Shares of Rs.10/- each	50000000.00	50000000.00
-5,000,000	<u>50000000.00</u>	<u>50000000.00</u>
 <u>Issued, Subscribed and Paid up Capital:</u>		
30,00,085 Equity Shares of Rs.10/- each	30000850.00	30000850.00
(30,00,085) fully paid up		
 TOTAL	<u>30000850.00</u>	<u>30000850.00</u>

15.1 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31-Mar-2019		As at 31-Mar-2018	
	No. of Shares	% held	No. of Shares	% held
Sh. Shyam Sunder Khemka	526,260	17.54	526,260	17.54
Smt. Chandra Kala Khemka	390,200	13.01	390,200	13.01
Sh. Rajeev Khemka	246,325	8.21	246,325	8.21
Sh. Sanjeev Khemka	264,875	8.83	264,875	8.83
Sh. Ashish Khemka	331,350	11.04	331,350	11.04
M/s Khemka Leasing Private Limited	484,500	16.15	484,500	16.15
M/s Khemka Packaging Private Limited	200,000	6.67	200,000	6.67

15.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3000085	3000085
Add : Shares issued during the year	0	0
Less : Shares cancelled on buy back	0	0
Equity Shares at the end of the year	<u>3000085</u>	<u>3000085</u>

15.3 Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

15.4 The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being made in cash nor has allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

16 Other Equity

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
(a) Capital Reserve		
Opening Balance	10,713,772	10,713,772
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	10,713,772	10,713,772
(b) Securities Premium Account		
Opening Balance	24,901,400	24,901,400
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	24,901,400	24,901,400
(c) General Reserve		
Opening Balance	670,324,176	650,324,176
Add: Transferred from Surplus in Profit and Loss Statement	20,000,000	20,000,000
Less: Utilisation	-	-
Closing Balance	690,324,176	670,324,176
(d) Surplus in Profit and Loss Statement		
Opening Balance	116,543,898	100,617,392
Add: Profit for the year	37,288,294	35,926,506
Less Amount transferred to General Reserve	20,000,000	20,000,000
Closing Balance	133,832,192	116,543,898
(e) Other comprehensive income		
Opening Balance	203,255	336,285
Add: Remeasurement of investment at fair value	751,604	-133,030
Closing Balance	954,859	203,255
Total	860,726,399	822,686,501

Capital Reserve:

Capital reserve was created from government subsidy received in earlier years.

Securities Premium Reserve:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve can be utilised in accordance with the provision of the companies act.

General Reserve:

The general is used time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence item included in general reserve will not be reclassified subsequently to profit and loss.



17 Borrowings

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Term Loans		
From Banks		
--- Term Loan -HSBC Bank	73,505,572	128,711,786
--- Term Loan -HDFC (Previous Year -Allahbad Bank)	215,964,830	133,882,488
	289,470,402	262,594,274
Vehicle Loans	17,877,913	13,776,083
Unsecured Loans		
From Directors	115,217,093	88,331,742
Total	422,565,408	364,702,099

17.1 Term Loans from Hongkong and Shanghai Banking Corporation Ltd & HDFC Bank (previous year-Allahbad Bank) are secured by way of pari passu charge over entire Fixed Assets of the Company including Plant & Machinery (both present and future) except those exclusively funded through other Financial Institutions and pari-passu chagre on the Stocks and Receivables of the company (both present & future) and collaterally secured by way of first pari-passu chagre on Factories located at Plot No.135, Sector-24, Faridabad, Plot No.297, Sector-24, Faridabad, Plot No.11B, Udyog Vihar, Greater Noida, Factory located at Village Bir Pillasi, Factory Land & Building located at Mopuraplli Village, Varadaiapalem Mandal Chittoor, Andhra Pradesh, in the name of Company and personal guarantee of Sh Shyam Sunder Khemka, Sh. Rajeev Khemka, Sh. Sanjeev Khemka, Sh. Ashish Khemka and Smt Chanderkala Khemka, all Directors of the company . All securities are under pari passu charge with HDFC Bank and Hongkong and Shanghai Banking corporation ltd.

17.2 Hypothecation of vehicles financed by the banks

17.3 Unsecured Loans from Directors are Long Term Borrowings and are interest bearing & repayable with prior permission of bankers.

18 Provisions

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Employee Benefits		
-Gratuity (funded)	-	83,203
-Leave Encashment (un-funded)	2,373,454	1,809,221
Total	2,373,454	1,892,424



19 Deferred Tax Liabilities (Net)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Deferred Tax Liabilities		
Fixed Assets	22,145,500	17,914,000
Total Deferred Tax Liabilities (A)	22,145,500	17,914,000
Deferred Tax Assets		
Provision for Retirement Benefits	964,400	720,500
Fixed Assets		-
Others	-476,100	1,120,200
Total Deferred Tax Assets (B)	488,300	1,840,700
Deferred Tax Assets (Net) (A-B)	21,657,200	16,073,300

20 Other Non-Current Liabilities

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Creditors for Capital Goods	12,845,285	18,271,110
Total	12,845,285	18,271,110

21 Short-Term Borrowings

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Secured Working Capital Loan from Bank *	107,324,755	107,940,907
Total	107,324,755	107,940,907

* Working Capital Limit from Hongkong and Shanghai Banking Corporation Ltd & HDFC Bank (previous year-Allahbad Bank) are secured by way of pari passu charge over entire Fixed Assets of the Company including Plant & Machinery (both present and future) except those exclusively funded through other Financial Institutions and pari-passu charge on the Stocks and Receivables of the company (both present & future) and collaterally secured by way of first pari-passu charge on Factories located at Plot No.135, Sector-24, Faridabad, Plot No.297, Sector-24, Faridabad, Plot No.11B, Udyog Vihar, Greater Noida, Factory located at Village Bir Pillasi, Factory Land & Building located at Mopuraplli Village, Varadaiapalem Mandal Chittoor, Andhra Pradesh, in the name of Company and personal guarantee of Sh Shyam Sunder Khemka, Sh. Rajeev Khemka, Sh. Sanjeev Khemka, Sh. Ashish Khemka and Smt Chanderkala Khemka, all Directors of the company. All securities are under pari passu charge with HDFC Bank and Hongkong and Shanghai Banking corporation Ltd.



22 Trade Payables

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Micro and Small Enterprises *	421,004	--
Others	477,640,426	358,439,033
Total	478,061,430	358,439,033

5.1 Detail of dues to Micro and Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the information given by the management, are as under :

Particulars	As at 31.03.2019	As at 31.03.2018
1 Principal amount due	421004.00	
2 Interest due on above	Nil	
3 amount of Interest paid in terms of Sec 16 of the MSMED Act	Nil	refer note no.
4 Amount of interest due and payable for the period of delay	Nil	5.2
5 Amount of Interest accrued and remaining unpaid as at year end	Nil	
6 Amount of further interest remaining due and payable in the succeeding years	Nil	

5.2 During the financial year 2017-18 ,the Company has no information from its suppliers being registered under Micro, Small & Medium Enterprises as defined under MSME Act 2006. Hence requirement regarding payment within specified date, interest on payment beyond specified date, if any, and other disclosures requirement in Annual Accounts could not be determined/ provided.

23 Other financial liabilities

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Current Maturities of Long Term Debts		
From Banks:		
--- Term Loan -HSBC bank	55,212,640	58,577,464
--- Term Loan HDFC Bank (Previous Year -Allahbad Bank)	54,100,819	37,560,000
Total	109,313,459	96,137,464
Vehicle Loans	8,588,768	13,176,262
Subtotal	117,902,227	109,313,726
Other Payables		
Liabilities for Expenses & Others	24,629,406	30,482,933
	24,629,406	30,482,933
Total	142,531,633	139,796,659



24 Other Current Liabilities

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Advances from Customers	50,000	2,244,183
Statutory Dues	8,328,458	1,375,305
Total	8,378,458	3,619,488



25 Provisions

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Corporate Social Responsibility		-
Provision for Employee Benefits -Leave Encashment (un-funded) (Refer note no. 42)	418,897	286,896
Total	418,897	286,896

26 Current Tax Liabilities (Net)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Provision for Income Tax (net of advance tax)		-
Total	-	-



KCL LIMITED

Notes on Financial Statements for the Year ended 31ST MARCH, 2019

Amount in Rs

27 Revenue from Operations

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Sale of Products	3,094,866,749	2,708,982,506
Less -Internal Consumption	125,727,986	133,504,775
Less - Sales Tax Recovered on Sales	0	22,737,596
Total	2,969,138,763	2,552,740,135
Sale of Products comprises of	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Corrugated Boards & Boxes	2,280,130,174	1,866,563,731
Duplex Board Cartons	569,485,247	558,169,887
Food Products	104,805,817	154,749,110
Milk /Dairy Products	61,065,600	59,998,058
Scrap	79,379,911	69,501,720
Total - Sale of Products	3,094,866,749	2,708,982,506

28 Other Income

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Income Tax Refund	800	-
Interest Received	428,032	308,629
Sundry Balances Written back	2,044,617	730,267
Rent Received	540,000	0
Insurance Claim Received	84,648	143,239
Provision no longer required written back	0	2725977
Profit on Sale of Property, Plant and Equipment	167,975	402,428
Total	3,266,072	4,310,540



KCL LIMITED

Notes on Financial Statements for the Year ended 31ST MARCH, 2019

Amount in Rs.

29 Cost of Raw Materials Consumed

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Opening Stock	132,817,340	58,051,871
Add: Purchases	1,832,252,419	1,707,230,348
	1,965,069,759	1,765,282,219
less Internal Consumption	103,162,183	115,722,696
	1,861,907,576	1,649,559,523
Less: Closing Stock	141,858,434	132,817,340
Cost of Material Consumed	1,720,049,142	1,516,742,183
Material Consumed comprises:		
1. Kraft Paper	1,325,018,321	1,068,361,840
2. Duplex Board	260,323,568	230,925,751
3. Corrugated Board & Sheet	101,803,218	137,251,654
4. Lamination Film	10,291,189	9,518,294
5. Flour Wheat & Maize	16,471,097	16,428,787
6. Oils & Fats	1,795,274	2,629,313
7. Chemicals, Flavours, Sugar & Salts	3,005,451	11,372,808
8. Skimmed Milk Powder	3,322	4,001
9. Packaging Materials(used in packing of food products)	9,171,951	20,595,286
10. Dextros Monohydrate	8,807,205	37,449,749
11.Raw Milk	20,250,420	22,034,176
12.Others	64,837,987	75,893,220
13. Soyabean	1,432,322	
	1,823,211,325	1,632,464,879
Less Internal Consumption	103,162,183	115,722,696
Total	1,720,049,142	1,516,742,183



KCL LIMITED

Amount in Rs

30 Changes in Inventories

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
<u>Inventories at the end of the year</u>		
Finished Goods	35,004,154	30,489,426
Work-In-Progress	44,354,725	42,376,212
Scrap	303,080	110,000
	79,661,959	72,975,638
<u>Inventories at the beginning of the year</u>		
Finished Goods	30,489,426	20,629,552
Work-In-Progress	42,376,212	3,790,869
Scrap	110,000	875,186
	72,975,638	25,295,607
Net (Increase) / Decrease	-6,686,321	47,680,031

31 Employee Benefits Expenses

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Salaries, Wages & Bonus	229,962,079	200,221,649
Contributions to Provident Fund (Refer note no.42)	5,161,781	4,933,452
Contributions to Employee State Insurance Fund	2,951,860	2,799,814
Gratuity	1,370,915	883,603
Staff Welfare Expenses	10,111,324	10,819,135
Total	249,557,959	219,657,653

32 Finance Costs

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Interest Expense on:		
(i) Term Loans from Banks	24,674,135	29,153,307
(ii) Others Borrowing Costs	26,083,836	14,425,393
Total	50,757,971	43,578,700

33 Depreciation and Amortisation Expenses

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Depreciation on Property, Plant and Equipment	125,387,655	135,984,187
Amortisation on Intangible Assets	663,173	1,704,998
Total	126,050,828	137,689,185



KCL LIMITED

Amount in Rs

34 Other Expenses

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Manufacturing Expenses		
Consumption of Stores and Spare Parts	63,836,239	57,708,433
Consumption of Block Printing & Design	34,877,187	23,152,146
Power and Fuel	88,606,221	72,586,756
Factory Rent including Lease Rentals	4,517,477	4,291,038
House Keeping Expenses	1,548,416	1,876,346
Carriage Inward Expenses	1,442,647	1,907,733
Job Work Expenses	77,452	1,096,899
Repairs and Maintenance - Machinery	25,699,239	24,786,946
Repairs and Maintenance - Others	12,366,301	16,900,362
Sub Total	232,971,179	204,306,659
Administration Expenses		
Rent	4,419,970	4,218,486
Insurance	6,705,022	6,388,243
Rates and Taxes	1,953,220	1,741,100
Travelling Expenses	25,395,979	18,542,657
Conveyance Expenses	4,571,318	2,984,652
Printing & Stationery	1,790,316	1,706,082
Postage, Telegram & Telephone	2,613,475	2,714,643
Legal and Professional	4,445,466	2,112,561
Retainership Charges	11,186,847	11,251,886
Security Service Charges	6,269,336	6,170,170
Membership & Subscription	664,652	652,126
Car Maintenance & Vehical Upkeep	5,426,475	4,084,126
Electricity & Water Charges	1,448,912	1,668,555
General Expenses	2,553,988	2,284,411
Employees Recruitment & Training Expenses	9,392,813	9,844,741
Charity & Donation	847,200	233,100
ISO Certification Charges	442,209	772,777
Sundry Balances Written off	103,234	259,069
Software charges	401,828	134,512
Bad Debts Written off	1,919,561	211,121
Prior Period Expenses	279,180	291,443
Listing Fees	55,000	40,250
Filing Fees	14,000	20,396
Expenses towards CSR Activities	2,448,700	2,822,296
Loss on theft	0	192,329
Loss on Sale of Property, Plant and Equipment	0	-
Interest on late fee	480,450	221,457
Bank Charges	3,859,975	1,736,548
Sub Total	99,689,126	83,299,737



KCL LIMITED

Selling Expenses		
Consumption of Packing Materials	9,837,890	11,602,044
Freight Outward (Net)	80,506,021	64,832,137
Sales Promotion Expenses	7,200,705	10,576,185
Discount Allowed	2,291,109	4,052,908
Advertisement & Publicity	245,927	428,062
Sales Conference	0	0
Damages & Claims	1,914,434	1,218,351
Commission on Consignment Sales	25,387	0
Product & Sample Distribution Exp	485,996	608,743
Sub Total	102,507,469	93,318,430
Payments to the Auditors		
As Auditors - Statutory Audit	300,000	330,000
For Tax Audit	60,000	60,000
For Internal Audit	120,000	120,000
Sub Total	480,000	510,000
Total	435,647,774	381,434,826

34.1- Expenditure incurred on Corporate Social Responsibility,

Detail of expenditure on corporate Social Responsibility Activities as per section 135 of the companies Act 2013 read with Schedule III are as below:-

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
A. Gross amount required to be spent by the company during the year	1923952	2168062
i) Construction/acquisition of assets		
ii) on purpose other than (i) above		
B. Amount spent during the year		
i) Amount spent	2448700	3437296
i) Amount Yet to be spent	-----	-----
Total	2448700	3437296

The company does not carry any provisions for Corporate Social Responsibility expenses for current year as well as for previous year.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Amount in Rs.

Note 35 Earning Per Share

	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Earnings Per Share		
i) Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (in Rs.)	38,039,898	35,793,476
ii) Weighted Average Number of Equity Shares used as denominator for calculating EPS	3,000,085	3,000,085
iii) Basic and Diluted Earnings per Share (in Rs.)	12.68	11.93
iv) Face Value per Equity Share (in Rs.)	10	10

Note 36

Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31-Mar-2019	As at 31-Mar-2018
Contingent Liabilities		
Claims against the Company not acknowledged as debt		
1) Surety Bond for availing duty under EPCG Scheme	6,994,432	6,994,432
2) Bank Guarantees	--	596,000
3) Letter of Credits	--	--
4) Sales Tax matters under appeal	1,314,445	1,314,445
	8,308,877	8,904,877
Commitments		
- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	3,501,715	116,248,477
- Export Obligation against Import under EPCG Licence	481,714,685	481,714,685
	485,216,400	597,963,162



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Note -37

Amount in Rs.

37.1 Details of Consumption of Imported and Indigenous Items				
	Year Ended on 31.03.2019		Year Ended on 31.03.2018	
	Percentage	Value	Percentage	Value
Raw Materials				
a) Imported	0.00	0	1.62	24587128
b) Indigenous	100.00	1720049142	98.38	1492155055
	100.00	1720049142	100.00	1516742183
Stores and spares				
a) Imported	0	0	0	0
b) Indigenous	100	63836239	100	57708433
	100	63836239	100	57708433

37.2 Value of Imports calculated on CIF basis		
	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Raw Materials	0	75507591
Components- Spare Parts	4962162	4677055
Capital Goods	114720940	33554341

37.3 Earnings in Foreign Exchange		
	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Export of Goods calculated on FOB basis	Nil	Nil

37.4 Expenditure in Foreign Currency		
	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Travelling Expenses & other matters	12469140	12202820



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Note-38

- 38.1 The following Land allotted / purchased are yet to be registered in the name of Company.
- a) The company has entered into Agreement for purchase of Land measuring 4.59 Acre at Village Gumshani, Tehshil- Bajpur, Uttranchal, Dist- Udham Singh Nagar, Khata No 0057, Khasara No 315/3.4.59 acre area. Due to refusal for the registration of the the said property by the seller, the Company has filed a suit against him and the matter is sub judiced with the courts.
- b) The Company has received possession certificate on dated 20.10.2015 of Industrial Plot No. 254-255, Industrial Estate Sector, Roz ka Meo, Faridabad, measuring area of 8100 sq. mtr and full payment thereof has been debited to Capital Work In Progress but the conveyance deed is yet to be executed.
- 38.2 The Sricity Project of the company has come into operation in the month of March 2017 for manufacturing of Corrugated Boxes. This unit is situated on 10 acres of Lease Hold Land (99 years) at Sathyavedu Sub-District, Varadaiahpalem Mandal, Racheria Panchayat of Mopurupali Village, Chittoor District, Andhra Pradesh and this unit is eligible for tax benefits as specified in Section 32AD of the Income Tax Act, 1961.
- 38.3 Sundry debit and credit balances appearing in the Balance Sheet are subject to confirmation of respective parties and consequent reconciliation thereof, adjustment of the same, if any, would be accounted for as and when ascertained.
- 38.4 In the opinion of the Board of Directors, the Current Assets, Loans and Advances are of the value as stated if realised in ordinary course of business.
- 38.5 Detail of pending litigations are as under:
Sales tax demand of F.Y. 2010-11 of Unit situated in Himachal Pradesh amounting to Rs.13,14,445/- has not been deposited on account of dispute lying pending for disposal with Additional Excise and Taxation Commissioner-cum-Appellate Authority, Himachal Pradesh.
- 38.6 Sales Tax assessment of units of the company situated in different states have been completed up to Financial Year 2016-17 except units situated in the state of Haryana, the assessment of which has been completed upto the F.Y. 2015-16.
- 38.7 The Income Tax Assesment u/s 143(3) of the Income Tax Act, 1961 has been completed up to A.Y. 2014-15 and income tax demand of Rs.3,24,051/- is outstanding as on date pertains to A.Y. 2009-10 to A.Y. 2013-14, against which request for rectification has been filed with the dept and therefore no provision has been made in the books of accounts.
- 38.8 The company does not have any pending litigations as on date except below:
- Civil Writ Petition under Article 226/227 of the Constitution of India on dated 30.05.2019 has been filed against Allahbad Bank for issuance of writ in the nature of mandamus directing the respondents to refund Rs.30,84,753/- illegally charged on account of take over charges (Foreclosure charges) under the garb of releasing the security documents on transfer of loan.
- 38.9 During the year, the Company has not entered into any long-term contracts including derivative contracts.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

39. Derivatives:-

A) Hedged: The Company has not entered into Forward Exchange Contracts, being Derivative Instruments for hedge purpose.

Buy or Sell	As on 31.03.2019		As on 31.03.2018		Foreign Currency
	(in Rs.)	Amount in Foreign Currency	(in Rs.)	Amount in Foreign Currency	
Buy	0	0	-	-	NA
Sell	0	0	-	-	NA

B) Unhedged: The year end Foreign Currency Exposures that have not been hedged by a Derivative Instrument as Outstanding are as under:

	As on 31.03.2019		As on 31.03.2018		Foreign Currency
	(in Rs.)	Amount in Foreign Currency	(in Rs.)	Amount in Foreign Currency	
a) Receivables:-	0	0	0	0	--
b) Payables:-					
Trade Payables	5588179	542502	7161644	559658	USD+RMB
Foreign Letter of Credit	0	0	0	0	USD



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Note 40

Related Party Disclosures: The information regarding Related Parties has been determined on the basis of criteria in Ind-AS-24 "Related Party Disclosures" and to the extent such parties have been identified by the company, on the basis of information available with them. This has been relied upon by the auditors.

As per Ind-As 24, the disclosures of transactions with the related parties are given below:

a) Name of Related Parties and description of relation :

(1) Key Management Personnel and Relatives

(Only Relatives of Key Management Personnel with whom the Company had transaction during the year are listed below)

Sh. Shyam Sunder Khemka (Chairman cum Managing Director)	Sh. Rajeev Khemka (Whole Time Director)	Sh. Sanjeev Khemka (Whole Time Director)	Sh. Ashish Khemka (Whole Time Director)
Smt. Chandra Kala Khemka (Director)	Sh. Deeptanshu Khemka (Whole Time Director)	Smt. Vandana Khemka (Wife of Sh. Rajeev Khemka)	Smt. Vandana Khemka (Wife of Sh. Sanjeev Khemka)
Smt. Ashima Khemka (Wife of Sh. Ashish Khemka)	Ms. Mahima Khemka (Daughter of Sh. Sanjeev Khemka, Director)	Mr. Vardaan Khemka (Son of Sh. Rajeev Khemka, Director)	Mr. Sarthak Khemka (Son of Sh. Sanjeev Khemka,
Smt. Sonika Khemka (Wife of Sh. Deeptanshu Khemka)			

b) Entities where significant influence is exercised by Key Management Personnel and/or their relatives having transactions with the Company :

Ginni Packaging (P) Limited
Khemka Packaging (P) Limited
Khemka Leasing (P) Limited

KCL Milk Products India Private Limited

Food & Healthcare Specialities
(Prop. Sh Shyam Sunder Khemka)

Particulars	Key Management Personnel and their Relatives		Othe Parties which significantly influence / are influenced by the Company (either individually or with others)	
	31/03/2019 Amount (Rs.)	31/03/2018 Amount (Rs.)	31/03/2019 Amount (Rs.)	31/03/2018 Amount (Rs.)
	a) Rent Paid	6180000	6180000	1200000
b) Remuneration Paid	23830200	23949150	---	---
c) Consultancy Chagres	600000	---	---	---
d) Inter-Corporate Deposit paid/given	---	---	---	---
e) Unsecured Loans taken/received	85350000	6696384	---	---
f) Unsecured Loans repaid	61317650	4700000	---	1301061
g) Other Payment	---	---	1167859	11293342
h) Balance outstanding at the year end				
- Receivables	---	---	97358055	96190196
- Payables	115217093	88331742	---	--



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

Amount in Rs.

Note 41

Segment Information

The Company has identified the following two Primary Business Segments during the year ended 31st March, 2018

1. Packaging Products Engaged in Manufacturing of Corrugated Boxes and Duplex Board Cartons
2. Food Products Engaged in Manufacturing of Food Products (Wafer Sticks, Extruded Cereals Products, Ready to use Bakery Products, Glucose D & Dairy Products)

Primary Business Segments

Particulars	Period		Packaging Products	Food Products	Corporate & Un-allocable	Total
	For the Year ended	31-Mar-19 31-Mar-18				
Revenue						
Gross Turnover	For the Year ended	31-Mar-19 31-Mar-18	2,928,995,332 2,494,235,338	165,871,417 214,747,168		3,094,866,749 2,708,982,506
Inter Segment Turnover	For the Year ended	31-Mar-19 31-Mar-18	125,727,986 133,504,775	- -		125,727,986 133,504,775
External Turnover	For the Year ended	31-Mar-19 31-Mar-18	2,803,267,346 2,360,730,563	165,871,417 214,747,168		2,969,138,763 2,575,477,731
Less: Sales Tax	For the Year ended	31-Mar-19 31-Mar-18	- 19,024,854	- 3,712,742		- 22,737,596
Less: GST RECOVERED	For the Year ended	31-Mar-19 31-Mar-18	331,047,052 -	22,721,233 -		353,768,285 218,090,781
Net Turnover	For the Year ended	31-Mar-19 31-Mar-18	2,472,220,294 2,341,705,709	143,150,184 211,034,426		2,615,370,478 2,334,649,354

Result

Segment Result						
Profit Before Tax & Interest	For the Year ended	31-Mar-19 31-Mar-18	110,213,163 193,935,636	-8,646,231 -29,871,741	-7,934,772 -21,460,329	93,632,160 142,603,566
Operating Profit	For the Year ended	31-Mar-19 31-Mar-18				93,632,160 142,603,566
Interest Expenses	For the Year ended	31-Mar-19 31-Mar-18				50,757,971 43,578,700
Other Income	For the Year ended	31-Mar-19 31-Mar-18				3,266,072 4,310,540
Income Tax	For the Year ended	31-Mar-19 31-Mar-18				5,585,895 17,161,937
Profit From ordinary activities	For the Year ended	31-Mar-19 31-Mar-18				37,288,294 35,926,506
Add/Less:OCI	For the Year ended	31-Mar-19 31-Mar-18				751,604.00 -133,030
Net Profit after Tax	For the Year ended	31-Mar-19 31-Mar-18				38,039,898 35,793,476



KCL LIMITED**Notes on Financial Statements for the Year ended 31st March, 2019**

Amount in Rs.

Other Information**Segment Assets**

Property, Plant and Equipment	For the Year ended	31-Mar-19	887,512,807	114,369,055	28,384,608	1,030,266,470
		31-Mar-18	714,250,113	134,730,999	32,905,512	881,886,624
Intangible assets	For the Year ended	31-Mar-19	477,551			477,551
		31-Mar-18	1140724			1140724
Capital Work In Progress			118,670,828	1,979,132	25,210,730	145,860,690
			171,889,897	1,979,132	25,210,730	199,079,759
Financial Assets						
Investments	For the Year ended	31-Mar-19				5,611,480
		31-Mar-18			5578355	5,578,355
Other Financial Assets	For the Year ended	31-Mar-19	8616257	1453440	14013	10,083,710
		31-Mar-18	7215590	1453440	14013	8,683,043
Other Non Current Assets	For the Year ended	31-Mar-19	-		711,271	711,271
		31-Mar-18	19,230,177		711,271	19,941,448
Current Assets, Loans and Advances	For the Year ended	31-Mar-19	705,923,501	43,112,232	144,836,864	893,872,597
		31-Mar-18	581,050,090	35,636,166	130,713,058	747,399,314
Total Segment Assets	For the Year ended	31-Mar-19	1,721,200,944	160,913,859	199,157,486	2,086,883,769
		31-Mar-18	1,494,776,591	173,799,737	195,132,939	1,863,709,267
Total Assets	For the Year ended	31-Mar-19				2,086,883,769
		31-Mar-18				1,863,709,267

Segment Liabilities

Non Current Liabilities	As at	31-Mar-19	325,810,388	16,996,502	116,634,457	459,441,347
		31-Mar-18	274,291,102	22,934,152	103,713,679	400,938,933
Current Liabilities & Provisions	As at	31-Mar-19	708,423,487	24,724,694	3,566,992	736,715,173
		31-Mar-18	588,063,713	31,608,824	-9,589,554	610,082,983
Total Segment Liabilities	As at	31-Mar-19	1,034,233,875	41,721,196	120,201,449	1,196,156,520
		31-Mar-18	862,354,815	54,542,976	94,124,125	1,011,021,916
Total Liabilities	As at	31-Mar-19				1,196,156,520
		31-Mar-18				1,011,021,916

Capital Employed	As at	31-Mar-19	686,967,069	119,192,663	78,956,037	890,727,249
		31-Mar-18	632,421,776	119,256,761	101,008,814	852,687,351
Capital Expenditure	As at	31-Mar-19				208,345,653
		31-Mar-18				210,458,026
Depreciation	For the Year ended	31-Mar-19	98,463,880	21,366,314	6,220,634	126,050,828
		31-Mar-18	103,394,208	25,450,480	8,844,497	137,689,185
Non - Cash Expenses other than Depreciation	For the Year ended	31-Mar-18				23,422



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

42 Employee Benefits

a) Defined Contribution Plans

The Company has recognised ₹ 51.62 lacs (PY ₹ 49.33 lacs) as contribution to provident fund in Statement of Profit & Loss.

b) Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2019).

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below :

Particulars	Leave encashment		Gratuity	
	As at			
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	7.75%	7.75%	7.65%	7.35%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	5.00%	5.00%	5.00%	5.25%
Expected Rate of Return on Plan Assets	7.75%	7.75%	8.35%	8.35%
Withdrawal Rate (Per Annum) - 18 to 30 Years	5.00%	5.00%	5.00%	5.00%
Withdrawal Rate (Per Annum) - 30 to 44 Years	3.00%	3.00%	3.00%	3.00%
Withdrawal Rate (Per Annum) - 44 to 58 Years	2.00%	2.00%	2.00%	2.00%

Changes in the present value of Defined Benefit Obligation are as follows

Particulars	Leave encashment		Gratuity	
	As at			
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Present value of the obligation at the end of the year	2,792,351	2,096,117	10,019,906	9,746,513.00

Net Asset / (Liability) recognized in the Balance Sheet as on 31st March 2019

Particulars	Leave encashment		Gratuity	
	As at			
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Present Value of Defined Benefit Obligation at the end of the year	2,792,351	2,096,117	10,019,906	9,746,513
Fair Value of Plan Assets	-	-	11,730,974	9,663,310
Net Asset / (Liability) recognized in the Balance Sheet	(2,792,351)	(2,096,117)	1,711,068	(83,203)

Bifurcation of Obligation at the end 31st March 2019

Particulars	Leave encashment		Gratuity	
	As at			
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Liability (Short Term)	418,897	286,896	1,388,436	1,668,722
Non Current Liability (Long Term)	2,373,454	1,809,221	8,631,470	8,077,791
Total	2,792,351	2,096,117	10,019,906	9,746,513



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

43. Financial Instrument

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements are set out below.

The carrying value and fair value of financial instruments by categories as of 31st March, 2019 were as follows :

Amount in Rs					
S. No.	Particulars	Amortised Cost	Fair Value*	Total carrying value	Total fair value
	Assets :				
i	Investments	5,578,355	33,125	5,611,480	5,611,480
ii	Cash and cash equivalents	5,673,453	-	5,673,453	5,673,453
iii	Bank balances other than (ii) above	747,594	-	747,594	747,594
iv	Trade receivables	432,202,398	-	432,202,398	432,202,398
v	Loans	104,137,102	-	104,137,102	104,137,102
vi	Other financial assets	10,083,710	-	10,083,710	10,083,710
	Total	558,422,612	33,125	558,455,737	558,455,737
	Liabilities :				
ii	Non Current Borrowings	422,565,408	-	422,565,408	422,565,408
iii	Current Borrowings	107,324,755	-	107,324,755	107,324,755
iv	Trade Payables	478,061,430	-	478,061,430	478,061,430
v	Other financial liabilities	142,531,633	-	142,531,633	142,531,633
	Total	1,150,483,226	-	1,150,483,226	1,150,483,226

The carrying value and fair value of financial instruments by categories as of 31st March, 2018 were as follows :

Amount in Rs					
S. No.	Particulars	Amortised Cost	Fair Value*	Total carrying value	Total fair value
	Assets :				
i	Investments	-	5,578,355	5,578,355	5,578,355
ii	Cash and cash equivalents	2,251,867	-	2,373,454	2,373,454
iii	Bank balances other than (ii) above	375,514	-	21,657,200	21,657,200
iv	Trade receivables	338,319,467	-	422,565,408	422,565,408
v	Loans	102,617,849	-	12,845,285	12,845,285
vi	Other financial assets	8,683,043	-	8,683,043	8,683,043
	Total	452,247,740	5,578,355	473,702,745	473,702,745
	Liabilities :				
ii	Non Current Borrowings	364,702,099	-	364,702,099	364,702,099
iii	Current Borrowings	107,940,907	-	107,940,907	107,940,907
iv	Trade Payables	358,439,033	-	358,439,033	358,439,033
v	Other financial liabilities	139,796,659	-	139,796,659	139,796,659



Total	970,878,698	-	970,878,698	970,878,698
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The following methods and assumptions were used to estimate the fair values:

- 1 The carrying amount of Trade receivables, Trade payables and cash & cash equivalent are considered to be the same as their value due to their short term nature
- 2 The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1 : Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



KCL LIMITED

Note on Financial Statements for the Year ended 31st March, 2019

44 Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company finance department is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date:

Particulars	Amount in Rs			
	Carrying Amount	Payable within 1 year	Payable after 1 year	Total
As at 31st March 2019				
Borrowings	647,792,390	225,226,982	422,565,408	647,792,390
Trade Payables	478,061,430	478,061,430	-	478,061,430
Other Financial Liabilities	24,629,406	24,629,406	-	24,629,406
As at 31st March 2018				
Borrowings	581,956,732	217,254,633	364,702,099	581,956,732
Trade Payables	358,439,033	358,439,033	-	358,439,033
Other Financial Liabilities	30,482,933	30,482,933	-	30,482,933

Management of financial market risk

Financial market risk is the risk of loss of future earning, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of change in the interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investment and deposits, payables and loans and borrowings.

The Company manages financial market risk through finance department, which evaluates and apply the risk mitigation strategy as approved by Audit Committee. The means of cash sources, borrowing strategies, and ensuring compliance with market risk limits and policies are also monitored.

Management of credit risk

a). Trade Receivable

The Company is exposed to credit risk from its operating activities (primarily trade receivables). Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information.

The Company's concentration of risk with respect to trade receivables is low, as its supply are made to the renowned customers.

b). Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investment in equity shares. The Company has given inter-corporate deposits (ICD) to its related parties amounting to Rs. 973.58 lacs (31st March, 2018: Rs.961.9 lacs).

The Company's maximum exposure to credit risk as at 31st March, 2019, 31st March, 2018 is the carrying value of each class of financial assets.

45 The figures for the previous year have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

46 Note 1 to 45 are annexed to and form an integral part of, the Balance Sheet as at 31st Mar 2019, Statement of Profit and Loss, statement of cash flows and statement of changes in equity for the year ended as on that date.

As per our report of even date attached
For ROHIT BAID & CO.
(CHARTERED ACCOUNTANTS)
FRN No.031122N

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30.05.2019



For and on behalf of the Board

SHYAM SUNDER KHEMKA
(Chairman Cum Managing Director)
DIN No 00103387

SANJEEV KHEMKA
(Director)
DIN No 00103295

RAJEEV KHEMKA
(Director)
DIN No 00103260

ASHISH KHEMKA
(Director)
DIN No 00103321

AMIT AGGARWAL
(Company Secretary)

ATTENDANCE SLIP

Regd. Folio/ DP ID & Client ID	
Number of shares	
Name and Address of the member	

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the Thirty sixth Annual General Meeting of the Company be held on Monday, the 30th day of September, 2019, at 01:00 P.M. at the Registered office of the company situated at E-292, Sarita Vihar, New Delhi - 110044.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of Annual Report to the Annual General Meeting.

Form No. MGT - 11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

KCL LIMITED
L74899DL1983PLC068008
E-292, SARITA VIHAR, NEW DELHI DL 110044
cs@kcl.co.in

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id: DP ID:
--

I/We, being the member(s) holding _____ Equity shares of the above named company,
hereby appoint

1. Name:
Address:
E-mail Id:
Signature:

Or falling him/her

2. Name:.....
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual
General Meeting of the Company, to be held on Monday, 30th day of September 2019 at 01:00
p.m. at E-292, Sarita Vihar, New Delhi - 110044, and at any adjournment thereof in respect of
such resolutions as are indicated below:

Resolution No.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019,
statement of Profit and Loss for the year ended on that date and the Reports of the
Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Khemka (holding DIN No: 00103260), who retires by
rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Deeptanshu Khemka (holding DIN No: 07484360), who retires
by rotation, and being eligible offers himself for reappointment.

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

“RESOLVED THAT pursuant to Section 139 and other applicable provisions if any of the Act and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Rohit Baid & Co., Chartered Accountants, Faridabad, bearing Firm Registration No 031122N with Institute of Chartered Accountant of India be and is hereby appointed as the Statutory Auditor of the Company to hold office from the conclusion of the Annual General Meeting for the financial year 18-19 to the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting to be held in the year 2020, subject to ratification by the Shareholders at every subsequent Annual General Meeting and to authorize the Board of Directors of the company to fix their remuneration.”.

RESOLVED FURTHER THAT Mr. Rajeev Khemka, Director cum CFO of the Company be and is hereby authorized to do all such actions as may be required to give effect to the aforesaid resolution.

Signed this day of 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

1. *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

Google Maps e-292 sarita vihar

