



KCL LIMITED

ANNUAL REPORT 2020-2021





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CORPORATE INFORMATION



KEY MANAGERIAL PERSONNEL

Mr. Rajeev Khemka, Whole time Director
Mr. Sanjeev Khemka, Whole time Director
Mr. Ashish Khemka, Whole Time Director
Mr. Deeptanshu Khemka, Whole time Director
Mrs. Chandrakala Khemka, Women Director

INDEPENDENT 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,

Non-Executive & Independent Director

Mr. Rahul Jain
Mr. Sanjeev Jain

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

**BANKERS**

HDFC BANK, Faridabad

HSBC Bank, Gurgaon

Stock Exchange

Metropolitan Stock Exchange of India Limited Mumbai

ISIN: INE061C01010

Baddi Division

Sai Road, Baddi (H.P)

Sri-city Division

Plot No 900, Rosewood Drive

Sri-city, Chittoor District

Andhra Pradesh-517646



NOTICE

Notice is hereby given that the 38th Annual General Meeting of M/s KCL Limited (CIN: L74899DL1983PLC068008) will be held on Thursday, September 30th 2021 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

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021, 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: 00103360), 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.
4. 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 17-18 to the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2022, 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.

**By Order of the Board
For KCL LIMITED**

**(Amit Aggarwal)
Company**

Secretary

Date: 05-09-2021

Place: New Delhi



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 Thursday 23rd to Thursday 30th September, 2021 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 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 them 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.
13. The Notice of the AGM along with the Annual Report 2020-21 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 38th AGM and the Annual Report 2020-21 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, Managing 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.
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, 2021. The Postal Ballot received after the said date will be treated as not having been received.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 27th September, 2021 at 09:00 A.M. and ends on Wednesday, 29th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23-09-2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode



In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

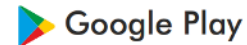
Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL



Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.



Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43



B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for



shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vikasverma@vvanda.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@kcl.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (cs@kcl.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.



2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@kcl.co.in. The same will be replied by the company suitably.
6. Registration of Speaker related point needs to be added by Company.

**By Order of the Board
For KCL LIMITED**

**(Amit Aggarwal)
Company Secretary**

**Date: 05-09-2021
Place: New Delhi**



Details of Directors Retiring By Rotation/ Seeking Appointment/Re-Appointment at the Ensuing Annual General Meeting

Name of Directors	Mr. Rajeev Khemka	Mr. Deeptanshu Khemka
Age		
Qualifications	B.com	B.tech from UK and MBA from Mumbai
Experience (including expertise in specific functional area)/Brief Resume	More than 30 Years of vide experience in Financial matters and Production	More than 06 years of experience in the Field of Packaging and Dairy Products
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, 2021	246325	12000
Relationship with other Directors / Key Managerial Personnel	Brother of Sanjeev Khemka and Ashish Khemka	Son of Rajeev Khemka.
Number of meetings of the Board attended during the year	9 (Nine)	9 (Nine)
Directorships of other Boards as on March 31, 2021	Nil	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2021	Member in CSR Committee	Nil



DIRECTOR'S REPORT

**TO
THE MEMBERS,
KCL Limited**

Your Directors are pleased to present the 38th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2021.

FINANCIAL RESULTS

As mandated by the Ministry of Corporate Affairs, your company has prepared the financial statement for the year ended March 31, 2021 as per Indian Accounting Standard ('IND AS') notified under Sec 133 of the Companies Act, 2013 read with notification no. G.S.R. 111(E) dated 16.02.2015 as amended from time to time.

(Rs. In Lacs)

PARTICULARS	2020-21	2019-20
Total Income	28048.30	29479.28
Gross Profit before interest depreciation and tax	2476.08	2890.83
Less: Financial expenses	414.42	567.90
Less: Depreciation and preliminary exp. written off	1587.45	1677.09
PROFIT BEFORE TAX	474.21	645.84
Less: Provision for tax	(135.13)	(118.48)
PROFIT AFTER TAX	339.08	527.36
Other Comprehensive Income	(39.30)	(11.64)
Total Comprehensive income for the year	299.78	515.72

PERFORMANCE REVIEW

During the year 2020-21, your Company was able to achieve turnover of Rs. 28048.30 Lacs as against Rs.29479.28 Lacs in the previous year, showing a decrease of 4.85% over the previous year. The Profits after Tax of the Company for the year ended 31.03.2021 has been at Rs.339.08 Lacs as against Rs. 527.36 Lacs in the previous year showing a decrease in profit of 35.70% in comparison to the previous year.



SHARE CAPITAL

The issued and paid up Equity Share Capital of the Company as on March 31, 2021 was Rs. 3,00,00,850/- comprising 30,00,085 fully paid Equity shares of Rs. 10/- each. During the year under review, the Company has not issued any equity shares/ shares with differential voting rights or granted stock options or issued sweat equity or purchased its own shares. There were no additions/reductions during the financial year 2020-21, in share capital of the Company by way of Public/ Rights/Bonus/preferential issues/ buy back, conversions etc. or any other changes.

ABOUT COVID-19 LOCKDOWN

The COVID -19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of office and factory following nationwide lockdown by the Government of India. In the Last month of Financial Year 2019-20 the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdown of all economic activity. For the Company, the focus has immediately shifted to ensuring the health and well being of all employees, and on minimizing disruptions to services for all our customers globally. The Company produced Personal Protective Equipment (PPE) kits and masks during this time. Consequent to withdrawal of lockdown in phased manner, the company resumed operations with proactive planning and limited workforce at office and factory following proper health & safety guidelines in place. We are adhering to workplace safety guidelines issued by government to prevent the spread of such pandemic.

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

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

TRANSFER TO RESERVE

During the year, company has not transferred profits to General reserve.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended on March 31, 2021. Since the Board has considered it financially prudent in the long-term interest of the company to re-invest the profits into the business of the company to build a strong reserve base and to grow the business of the company.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. However, your company has been classified by the stock exchanges as small cap and hence this regulation does not apply to the Company.

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



No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

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, 2021.

FINANCE

Fresh debt of Rs. 5.88 crores was sanctioned by our bankers (HSBC Bank) under GECL 2.0 scheme of RBI to help industry financially due to COVID-19 pandemic, and the same has been fully utilized by the company during financial year 2020-21.

DIRECTORS AND KMPs

(i) Appointment

There was no Fresh appointment in the Board during the financial year 2020-21

(ii) Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajeev Khemka, Director, & Mr. Deeptanshu Khemka, Director, retires by rotation and is eligible himself for reappointment.

(iii) Resignations

Mr. Sunil Bansal resigned from the Independent Directorship of the Company w.e.f 22.02.2021 due to his personal reason.

(iv) Declarations by Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Reg. 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company have given declaration to the Company that they qualify the criteria of independence as required under the Act and the Regulations.

(v) BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, the directors and also committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.



Further, a Separate Meeting of the Independent Directors of the Company was held once during the year on 09.11.2020 and 13.02.2021 which also reviewed the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

(vi) Nomination & Remuneration Policy

On the recommendation of the Nomination & Remuneration Committee, the board has already framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel.

(vii) Board Meetings

During the year, 9 Board Meetings and 4 Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the period Prescribed under the Companies Act, 2013.

(viii) Key Managerial Personnel

During the year 2020-21, the Company five Key Managerial Personnel viz. Mr. Rajeev Khemka, WTD CUM CFO, Mr. Sanjeev Khemka, WTD, Mr. Ashish Khemka, WTD, Mr. Deeptanshu Khemka, WTD and Mr. Amit Aggarwal, Company Secretary.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The particulars of loans, guarantees and investments, wherever required, have been disclosed in the financial statements, which also form part of this report.

DEPOSITS

Your company has not invited/ accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and established a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.kcl.co.in

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 –A** and form part of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

STATUTORY AUDITORS

M/s Rohit Baid & Co. (Firm Registration No 031122N) Chartered Accountants, Statutory Auditors of the Company, had been appointed as the Statutory Auditor of the Company in the 34th Annual General Meeting to hold office until the conclusion of 39th Annual General Meeting. The Shareholders at the ensuing General Meeting will consider ratification of the appointment of the Statutory Auditor. The Auditor has confirmed that they hold a valid certificate issued by the Board of the ICAI.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed M/s Vikas Verma & Associates, Company Secretaries to undertake the Secretarial Audit of the for the year ending March 31, 2021. A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE – B** which is self-explanatory.

The Board has re-appointed M/s Vikas Verma & Associates, Company Secretaries, New Delhi as Secretarial Auditor of the Company for Financial Year 2021-22.

COST AUDITORS

No Cost Auditor was appointed during the financial year as there is no statutory requirement imposed for mandatorily according to the size and nature of the business.

AUDITORS' REPORT

The Auditors' Report is self-explanatory and do not call for further comments as there are no adverse remarks in the Auditors' Report.

APPOINTMENT OF SECRETARIAL AUDITOR AND INTERNAL AUDITOR

The Company has in accordance with the applicable provisions of the Companies Act, 2013, appointed M/s Vikas Verma & Associates, Practicing Company Secretary (C.P. No. 9192), New Delhi, Secretarial Auditors. The Company has appointed M/s M.L Bhansali & Co, Chartered Accountants, (Membership No. 504250, Firm Registration No. 005698N) as the Internal Auditors.

LISTING OF SECURITIES



At present, the securities of the Company are listed on "Metropolitan Stock Exchange of India Limited" (MSEI). The Company has paid the Listing Fees to the MSEI upto the financial year 2021-22.

INDUSTRIAL RELATIONS

The industrial relations remained very cordial and responsive during the year under review.

DISCLOSURE OF COMPLAINTS OF SEXUAL HARRASMENT, CHILD LABOUR ETC.

Considering gender equality, the Company has zero tolerance for sexual harassment at workplace. The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

Sr. No.	Category	No. of complaints during financial year 2020-21	No. of complaints pending as at end of year 2020-21
1	Child labour/forced labour/involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour. No case reported	Not Applicable
2	Sexual Harassment	No case reported	Not applicable
3	Discriminatory employment	No case reported	Not applicable

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the Audited Financial Statements of the Company for the year 2020-21, the provisions of Section 135, read with Schedule VII and Companies (Corporate Social Responsibility) Rules, 2014 of the Companies Act, 2013, has become applicable to the Company. So in accordance with the provisions of Section 135 of the Companies Act, 2013 read with schedule VII of the Said Act and further read Companies (Corporate Social Responsibility) Rules, 2014, "Corporate Social Responsibility Committee" had been constituted w.e.f. 28.05.2016 consisting of following persons as Members/ Chairman :

S.No	Name of the Director	Designation
1	Mr. Rajeev Khemka, Director	Chairman
2	Mr. Sanjeev Khemka, Director	Member
3	Mr. Sanjeev Jain, independent Director	Member

During the year 2020-21, the Company had identified certain projects/activities on which the CSR expenditure for the financial year 2020-21 was made. The activities included promoting health care including preventive health care, facilities for senior citizens and measures for reducing inequalities faced by socially and economically



backward groups, animal welfare etc. Details about the CSR policy and initiatives taken by the Company during the year are available on your company's website www.kcl.co.in.

The Report on CSR activities is given in Annexure-C forming part of this Report.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 forms part of the Board's Report and is annexed herewith as **ANNEXURE –D**

GRATUITY

The provision for gratuity has been made as provided under the Payment of Gratuity Act.

PARTICULARS OF EMPLOYEES:

The Information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, will be provided on request. In terms of section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the Registered office of the company during business hours on all working days of the company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining the copy thereof, such member may write to the company secretary in this regard.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has designed and implemented a process driven framework for Internal Financial Controls. For the year ended on March 31, 2021, the Board is of the opinion that the Company has sound Internal Financial Controls commensurate with the size, scale and complexity of its business operations. During the year, such controls were tested and no material weakness in their operating effectiveness was observed. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/ or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, in terms of the Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that :

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along-with the proper explanation and there are no material departures;



- b) 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;
- c) 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;
- d) The Directors had prepared the annual accounts on a going concern basis.
- e) The internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and
- f) 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.

CREDIT RATINGS

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

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE OUTGO

Conservation Of Energy:

- (a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine Down-time
- (b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- (c) Various on-going measures for conservation of energy include
 - (i) Use of energy efficient lighting and better use of natural lighting,
 - (ii) Reduction of energy loss, and



(iii) Replacement of outdated energy intensive equipment.

The company provides high priority to energy conservation schemes to conserve natural resources and is regularly taking effective steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being undertaken regularly for further improvements. The Company has given due attention towards conservation of energy. It not only reduces the cost of production but also helps in conservation of natural resources which are depleting very fast.

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION

The company has in house research and development facilities. The company has installed modernized corrugation plant (imported) for its various units engaged in the manufacturing of corrugated boxes and its allied products.

Technology absorption, Innovation and Research & Development (R & D) is a continuing Process and a continued emphasis is given on quality improvement and product upgradation.

Specific areas in which R & D activities were carried out by the Company:

- Quality Improvement
- Yield/Productivity Improvement
- Energy Conservation
- New Technology/Product development

Benefits Derived

- Better Quality; reduced wastages
- Cleaner environment
- Safer operations and improved competitiveness

Future Plan of Action

Management is committed to strengthen R & D activities for product development as per requirements and to improve its competitiveness in the times to come.

Expenditure on R & D

a) Capital: Nil	b) Recurring: Nil	Total: Nil
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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company has adopted latest technologies, processes, designs and machineries to manufacture Quality packaging products & breakfast cereals. The company has been using the imported Machinery. The Company has been making efforts for absorption of latest technology. Your Company has the modern and latest technology for the manufacture of Corrugated Boxes, Duplex Cartons and other paper and Paper Based Cartons etc. The Company has necessary research and quality control facilities.



Foreign Exchange earnings and outgo:

(Rs in Lacs)

Foreign exchange earnings and outgo	2020-21	2019-20
Earning for value of exports on F.O.B basis	84.54	8.50
Expenditure in foreign currency :		
a) Raw Material	635.32	700.88
b) Repairs & Maintenance(P&M)	50.10	433.04
c) Capital Goods	404.28	30.55
d) Traveling Expenses	68.45	64.68

Particular of Employees is annexed herewith in Annexure -E

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 in **Annexure -F**

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.

ACKNOWLEDGEMENT

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



Date: 05.09.2021
Place: New Delhi

By the order of the Board
M/s KCL Limited

SD/-
Mr. Rajeev Khemka
Director
DIN No: 00103260

Mr. Sanjeev Khemka
Director
DIN No: 00103295

SD/
Mr. Ashish Khemka
Director
DIN No: 00103321

**Annexure-A****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 arm's 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 2020-21.

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 2020-21

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
Mrs. Chander Kala Khemka	Rent Paid	As per Contract	31,80,000		Nil

Date: 30-07-2021

Place: New Delhi

**By the order of the board
For KCL Limited**

**SD/-
Rajeev Khemka
Director
DIN No 00103260**



Annexure-B

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2021**

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 **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 inspection, verification of company’s 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, 2021 has possibly tried making compliance with the statutory provisions.

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, 2021, 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’):-
 - 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 (Share Based employee Benefits) Regulation, 2014; *(No transaction has been recorded during the Audit Period)*

The Securities and Exchange Board of India *(Issue and Listing of Debt Securities) Regulation, 2008 (Not Applicable during the period under review)*

e) 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)*

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No transaction has been recorded during the Audit Period)*

h) 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:-

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 29 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Company has not filed the prior intimations of Board Meeting	Company has not filed the prior intimation of Board Meeting held on following dates: 14 th September, 2020 13 th November, 2020
2.	Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	There has been delay in filing Outcome of Board Meeting held on	Submit on 04th August 2020 Submit on 15th September, 2020, Submit on 28th



		following dates: 31st July 2020, 14th September, 2020, 13th November, 2020	November 2020.
3.	Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Delay has been noticed in filing certificate under Regulation 40(9) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.	Company has submitted Certificate on 18 th June 2020 for half year ended on 31 st March 2020.
4.	Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011	Delay in filing the Annual Disclosure as per Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011. As per Circular dated 27 th March 2020 due date of filing disclosure was extended for the financial year ending March 31, 2020 to June 01, 2020.	Submitted on 31 st July 2020.
5.	In pursuant to Schedule B of the SEBI (Prohibition of Insider Trading) Regulations 2015	Company has not filed with stock exchange intimations for Closure of trading window.	Company has not filed with stock exchange intimations for closure of trading window during financial year 2020-21.

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, reasonable care has been taken in sending adequate notice to all directors to schedule the Board Meetings, agenda and detailed notes on agenda possibly 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 pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

**For and behalf of
Vikas Verma & Associates
Company Secretaries
(FRN: P2012DE081400)**

**SD/-
Vikas Kumar Verma
(Managing Partner)
CP No: 10786
FCS : 9192**

**Date:- 04th September, 2021
Place:-New Delhi
UDIN:-F009192C000895088**

**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. Sanjeev Jain	Member

2. Average net profit of the company for last three financial years for the purpose of computation of CSR – Rs 5.36 Cr.**3. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.10.70 Lacs****4. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year as per Section 135 of the Companies act 2013: **Rs.23.68 Lacs**

(b) Amount unspent: **Nil**

(c) Manner in which the amount spent during the financial year: **Attached**

5. 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. *Not Applicable as the Company spent more than the desired amount.***6. 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/-

(Rajeev Khemka)
Chairman CSR Committee
Chairman CSR Committee

)

(Sanjeev Khemka)
Member CSR, Committee
Member CSR, Committee



Point 5(c): Manner in which the amount spent during the financial year is detailed below:

S. No	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programmes (Local area or other)	Amount outlay (Budget) project or programs wise (Rs)	Amount Spent on the projects or programmes Sub Heads	Cumulative expenditure upto the reporting period (Rs)	Amount Spent: Direct or through implementing agency
1	PM CARE FUND	Paid for CSR valuable Contribution Towards fighting distress situations like COVID-19	New Delhi (PMO)	10,00,000	Direct Expenditure	10,00,000/-	Direct
2	Khemka Charitable Trust	Charitable Activities	Faridabad	13,68,787	Direct Expenditure	13,68,787/-	Direct

SD/-
(Rajeev Khemka)
Chairman CSR Committee

(Sanjeev Khemka)
Member CSR, Committee



ANNEXURE-D

Form No. MGT-9 EXTRACT OF ANNUAL RETURN As on the financial year ended on 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and 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	Company Limited By Shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	E-292, Sarita Vihar, New Delhi-110044 E-mail: cs@kcl.co.in Tel: 011-26955419
vi)	Whether listed company (Yes/No)	Listed
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
1.	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
	NA	NA	NA	NA	NA

IV	SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
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(i)	Category-wise Share Holding								
Category of Shareholders	Shareholding at the beginning of the year-2020				Shareholding at the end of the year-2021				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of Promoter and Promoter Group									
(1) Indian									
a) Individuals/ Hindu Undivided Family	1554710	257400	1812110	60.40	1554710	257400	1812110	60.40	0
b) Central Govt. or State Govt.(s)	0	0	0	0	0	0	0	0	0
c) Financial Institutions / Bank	0	0	0	0	0	0	0	0	0
d) Any other (Specify)									
SUB TOTAL:(A) (1)	1554710	257400	1812110	60.40	1554710	257400	1812110	60.40	1554710
(2) Foreign									
a) Individuals (Non -Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Governments	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
e) Any other (Specify)									
SUB TOTAL:(A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	1554710	257400	1812110	60.40	1554710	257400	1812110	60.40	1554710
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds /	0	0	0	0	0	0	0	0	0



UTI									
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
f) Financial Institutions / Bank	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
i) Any other (specify)									
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0
(2) Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
(3) Non Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	8100	78800	86900	2.90	8100	78800	86900	2.90	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	263675	263675	8.79	0	263675	263675	8.79	0
iii) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0



iv) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
v)Any Others(Specify)	0	0	0	0	0	0	0	0	0
vi) Hindu Undivided Family	0	0	0	0	0	0	0	0	0
vii) Body Corporate	1600	835800	837400	27.91	1600	835800	837400	27.91	0.00
SUB TOTAL (B)(3):	9700	1178275	1187975	39.60	9700	1178275	1187975	39.60	0
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	9700	1178275	1187975	39.60	9700	1178275	1187975	39.60	0
C. Non-Promoter-Non Public									
Custodian /DR Holders	0	0	0	0	0	0	0	0	0
Employee Benefit Trust under SEBI (Share based Employee Benefit) Regulations, 2014	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1564410	1435675	3000085	39.60	1564410	1435675	3000085	100	0

(ii)		Share Holding of Promoters						
Sl. No	Shareholders Name	Shareholding at the beginning of the year-2020			Shareholding at the end of the year-2021			% change in share holding during the year
		No. of shares	% of total shares of the co.	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Late Mr. Shyam Sunder Khemka	426260	14.2	N/A	426260	14.2	N/A	



2	Mr. Sanjeev Khemka	264,875	8.83	N/A	264,875	8.83	N/A	
3	Mr. Rajeev Khemka	246325	8.21	N/A	246325	8.21	N/A	
4	Mr. Ashish Khemka	331350	11.04	N/A	331350	11.04	N/A	
5	Mrs. Vandna Khemka	77,600	2.59	N/A	77,600	2.59	N/A	
6	Mrs. Vandana Khemka	75,500	2.52	N/A	75,500	2.52	N/A	
7	Mrs. Chandra Kala Khemka	390,200	13.01	N/A	390,200	13.01	N/A	

(iii)	Change in Promoters' Shareholding (please Specify, if there is no change) : No change							
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 co.	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
NIL								

(iv)	Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)				
Sl. No	Shareholders Name	Shareholding at the beginning of the year-2020		Shareholding at the end of the year-2021	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company

v. Shareholding of Directors and Key Managerial Personnel:					
Sl. No.		Shareholding at the beginning of the year-2020		Cumulative Shareholding during the year-2021	
	For Each of the Directors and KMP –	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company



v.	Shareholding of Directors and Key Managerial Personnel:				
Sl. No.		Shareholding at the beginning of the year-2020		Cumulative Shareholding during the year-2021	
1	Late. Mr Shyam Sunder Khemka	426260	14.2	426260	14.2
2	Mr. Rajeev Khemka	246325	8.21	246325	8.21
3	Mr. Sanjeev Khemka	264875	8.83	264875	8.83
4	Mr. Ashish Khemka	331350	11.04	331350	11.04
5	Mrs Chandra Kala Khemka	390200	13.01	390200	13.01

V	INDEBTEDNESS				
Sl No	Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Particulars	Secured Loans excluding deposits	Unsecured Loans	Security Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	385043365	100136808	0	485180173
	ii) Interest due but not paid	0	0	0	0
	iii) Interest accrued but not due	0	0	0	0
	Total (i)+(ii)+(iii)	0	0	0	0
2	Change in Indebtedness during the financial year				
	Additions	0	0	0	0
	Reduction	0	0	0	0
3	Net Change	0	0	0	0
4	Indebtedness at the end of the financial year				
	i) Principal Amount	0	0	0	0
	ii) Interest due but not paid	0	0	0	0
	iii) Interest accrued but not due	0	0	0	0
	Total (i)+(ii)+(iii)	385043365	100136808	0	485180173

VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A.	Remuneration to Managing Director, Whole Time Director and/or Manager:					
Sl. No	Particulars of Remuneration	Name of Whole Time Director				Amount
	Gross salary	Rajeev Khemka	Sanjeev Khemka	Ashish Khemka	Deeptanshu Khemka	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	35,37,000	35,37,000	35,37,000	24,00,000	1,30,11,000



2	(b) Value of perquisites u/s 17(2) of the Income tax Act, 19610	0	0	0	0	0
3	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
4	Stock option	0	0	0	0	0
5	Sweat Equity	0	0	0	0	0
6	Commission	0	0	0	0	0
	as % of profit	0	0	0	0	0
	others (specify)	0	0	0	0	0
5	Others, please specify -Employer’s contribution to PF -Encashment of earned leaves	0	0	0	0	0
	Total (A)	35,37,000	35,37,000	35,37,000	24,00,000	1,47,48,000
	Ceiling as per the Act					
B.	Remuneration to other directors:					
Sl. No	Name	Sitting Fees (Rs)	Commission (Rs)	Total Compensation (Rs)		
I	Non-Executive Directors					
	Nil					
	Total (I)					
II	Independent Directors					
	Nil					
	Total (II)					
	Grand Total (I + II)					

C.	Remuneration to Key Managerial Personnel Other than MD/Manager/WTD			
Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount Paid
	Gross Salary	Company Secretary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9,00,000	-	9,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others, specify			



5	Others, please specify			
	Total			

VII	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:					
Sl No	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	NONE				
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS	NONE				
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT	NONE				
	Penalty					
	Punishment					
	Compounding					



'Annexure E'

Information of Particulars of employees pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.NO.	PARTICULARS	REMARKS				
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	NIL				
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	NIL				
3	The percentage increase in the median remuneration of employees in the financial year	NIL				
4	The number of permanent employees on the rolls of company	350 approx.				
5	The explanation on the relationship between average increase in remuneration and company performance	No increase in Remuneration				
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Nil				
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	Net Worth: <table><tr><td>FY 2019-20</td><td>94,23,00,241</td></tr><tr><td>FY 2020-21</td><td>97,22,77,586</td></tr></table>	FY 2019-20	94,23,00,241	FY 2020-21	97,22,77,586
FY 2019-20	94,23,00,241					
FY 2020-21	97,22,77,586					
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial	NIL				



	remuneration	
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	NIL
10	The key parameters for any variable component of remuneration availed by the directors	NIL
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NIL
12	Affirmation that the remuneration is as per the remuneration policy of the company	YES

For & on behalf of Board

M/s KCL Limited

SD/-

Mr. Rajeev Khemka
Director

Mr. Sanjeev Khemka
Director

SD/-

Mr. Ashish Khemka
Director



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, automotive 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 companies 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 & 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 overhead 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 total employee strength of 550 approx. as of year end 2020-21, 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.



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, 2021 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 maybe 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.



CORPORATE GOVERNANCE REPORT

(In Terms of Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the said regulations)

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations"). Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence.

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes that establishing good corporate governance practices in each and every function of the Organization leads to achieve the sustainable growth and enhances the long term value for all stakeholders. The Company always endeavors to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. The Company considers it imperative to abide by the laws and regulations and is committed to the highest standards of corporate behaviors. The Company always strives to improve the performance at all levels by adhering to corporate governance practices such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholder's value in the long run. To create a culture of good governance, constitution of Board Committees as a part of the Internal Control System, fair representation of non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues.

The Company has complied with norms of Corporate Governance as required under the SEBI (LODR) Regulations, 2015. The Company understands that compliances of applicable legislations and timely Disclosures enhance the image of the Company as a good corporate citizen in the Country.

3. BOARD OF DIRECTORS

a) COMPOSITION

As at March 31st, 2021, the Company has Seven Directors. Out of the Seven Directors, four (i.e. 57.15% are executive directors and three (i.e.42.85%) are non-executive independent directors and One Non Executive Women Director. The Composition of the Board is as per stipulated requirements. The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company. The Board meetings are pre-scheduled and are circulated to the Directors well in advance to facilitate the Directors to plan their schedules accordingly. The Board is well diversified and consists of one Woman Director.



B) BOARD MEETINGS

During the financial year 2020-2021, the Board met 9 times on 21st April 2020, 15th May, 2020, 01st July 2020, 31st July, 2020, 05th September, 2020, 14th September, 2020, 13th November 2020, 13th February 2021 and 24th February 2021. Following is the Composition of the Board Attendance and other memberships of the Directors of the Company:

Name of Direct Or	Category of Directorships	Number of Board meetings during the year 2020-21		Whether attended last AGM	Number of other Directorships		Committee Membership	
		Held	Attended				Chairman	Member
Rajeev Khemka	Director	09	09	Yes	Nil	6	1	0
Sanjeev Khemka	Director	09	09	Yes	Nil	5	0	1
Ashish Khemka	Director	09	09	Yes	Nil	4	Nil	Nil
Deeptanshu Khemka	Director	09	09	Yes	Nil	0	Nil	Nil
ChandraKala Khemka	Non Executive Director,	09	09	Yes	Nil	0	0	0
Rahul Jain	Non Executive Independent Director	07	07	Yes	Nil	0	1	2
Sunil Bansal	Non Executive Independent Director	08	08	Yes	Nil	0	0	0
Sanjeev Jain	Non Executive Independent Director	09	09	No	Nil	2	2	1

PERFORMANCE EVALUATION:

In compliance with the provisions of the Companies Act, 2013 (the Act) and applicable clauses of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including



the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Boards functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

INDEPENDENT DIRECTORS' MEETING:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors met on 15.02.2021 inter alia, to discuss:

- (a) Evaluation of the performance of non- Independent Directors and the Board as a whole;
- (b) Evaluation of the performance of the Chairperson of the company, taking into account the views of Executive directors and non-executive directors;
- (c) Evaluation of the quality, quantity and timeliness of flow of information between the company Management and the Board that is necessary for the Board to effectively and reasonably perform their Duties. All the Independent Directors were present at the meeting.

4. Committees of the board

A. Audit Committee

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. During the Financial Year 2020-21. The Audit Committee consisted of 3 directors as under:

Name	Category	Number of meetings during the financial year 2020-21	
		Held	Attended
Sunil Bansal	Independent, Non-Executive	4	4
Rahul Jain	Independent, Non-Executive	4	4
Sanjeev Jain	Independent, Non-Executive	4	4



TERMS OF REFERENCE:

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as well as Section 177 of the Companies Act, 2013. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committees purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company s risk management policies.

B. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations the Board has a duly constituted "Nomination and Remuneration Committee". During the financial Year 2020-21. The Nomination and Remuneration Committee is presently consist of 3 directors as under:

Name	Category	Number of meetings during the financial year 2020-21	
		Held	Attended
Sunil Bansal	Independent, Non-Executive	02	02
Rahul Jain	Chairman, Independent, Non-Executive	02	02
Sanjeev Jain	Independent, Non-Executive	02	02

During year 2020-21 two Meetings of Nomination and Remuneration Committee were held on 09.10.2020, and 15.02.2021 which were attended to by all the respective Members of the Committee.

TERMS OF REFERENCE:

The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013. The objectives of constituting of Nomination and Remuneration Committee are as follow:

- 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.

(I) **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 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:

a. Remuneration to Executive Directors:

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

As per mutual understanding between the directors and Company, the Non Executive Independent Director does not taking any fees for attending the meeting of the Board or the Committee. The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

Name of Director	Sitting Fees	Commission
Sanjeev Jain	N/A	N/A
Rahul Jain	N/A	N/A
Sunil Bansal	N/A	N/A



C. Stakeholders' relationship committee

The Board has formed an Investors Grievance Committee named as Stakeholder's Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rules made there under to specifically look into the redressal of investors complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the Demat account etc. The Committee also approves issue of duplicate share certificate(s) and other related matters and oversees and reviews all matters connected with the share transfer. The Committee is consisting of following Directors:

During the year, one meeting of the stakeholders' relationship committee was held on 15th February, 2021. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2020-21	
		Held	Attended
Sanjeev Jain	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 2020-21
------	----------	--



		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 15th April, 2020 and 13th February 2021. Mr. Rajeev Khemka was designated as the Chairman of the Committee.

Key Responsibilities of the CSR Committee:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- Review the CSR Report, with the Management, before submission to the Board for approval.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

EXECUTIVE COMMITTEE

The Board of Directors of the company has constituted a Committee namely "Executive Committee" on a Board Meeting held on 13th June 2017, 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, 2021 is given below:

Name of Member	Designation	Meetings Held	Meeting Attended
Rajeev Khemka	Chairman	10	10
Sanjeev Khemka	Member	10	10
Ashish Khemka	Member	10	10
Deeptanshu Khemka	Member	10	10

5. General body meetings

a) General meeting

1. Details of Last three Annual general meeting is as follows:

Financial year	Venue	Date & Time	Special Resolutions
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			Passed
2017-18	E-292, Sarita Vihar, New Delhi-110044	29.09.2018, 01.00 P.M	Nil
2018-19	E-292, Sarita Vihar, New Delhi-110044	30.09.2019, 01.00 P.M	Nil
2019-20	E-292, Sarita Vihar, New Delhi-110044	30.09.2020, 04.00 P.M	Nil

2. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2020-21.

b. 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.

6. Disclosures :

Related Party Transactions

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

- (i) 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 2017-18, 2018-19 and 2019-20 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.
- (ii) 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.
- (iii) 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 except with delay in publication of quarterly results and submission to the same with the stock exchange.

7. Means of Communication

a. Quarterly Results:

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.

8. General shareholder information

Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : 30th Wednesday, September, 2021 Time : 01:00 P.M Venue : E-292, Sarita Vihar, New Delhi-110044
Financial Year	2020-21
Record Date	23 rd September 2021
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 Company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Regulations 40 of SEBI (LODR) Regulations

1. Shareholding as on March 31, 2021:

●Distribution of equity shareholding as on March 31, 2021:



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, 2021:

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
	Total	3000085	100

2. 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, Cheyyar, 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, 2021.

Date: 30/07/2021

Place: New Delhi

**By the order of the board
For KCL Limited**

SD/-

**Mr. Rajeev Khemka
Director
DIN No: 00103260**

**Mr. Sanjeev Khemka
Director
DIN No: 00103295**

SD/-

**Mr. Ashish Khemka
Director
DIN No 00103321**



ROHID BAID & CO.
CHARTERED ACCOUNTANTS

2B/49, N.I.T.
FARIDABAD-121001
Ph.: 09953450129
E-mail: rohitbaid03@gmail.com

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 2021, 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 2021, 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.

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 of Notes on Financial Statements, 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. -We discussed with the management about the conditions leading to, and their assessment of recoverability of loans from the parties.

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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; 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.38.1, 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.

For ROHIT BAID & CO.

Chartered Accountants

(Firm Registration No. 031122N)

SD/-

CA ROHIT BAID

Proprietor

Membership No. 535947

Place: Faridabad

Date: 30.07.2021



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 2021, 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 held in the name of the Company except as reported in note 38.1 of notes on financial statements.
- 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. 1001.36 Lakhs as at 31.03.2021.

(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 31.03.2021 an amount of Rs.1001.36 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 2021.

(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.
- 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)

SD/-

CA ROHIT BAID

Proprietor

Membership No. 535947

Place: Faridabad

Date: 30.07.2021

CIN: L74899DL1983PLC068008

KCL LIMITED

www.kcl.co.in



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, 2021 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have 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, 2021, 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)

SD/-

CA ROHIT BAID
Proprietor
Membership No. 535947

Place: Faridabad

Date: 30.07.2021

KCL LIMITED

CIN-L74899DL1983PLC068008

Balance Sheet as at 31ST MARCH . 2021

Amount in Rs

Particulars	Note No.	As at 31-Mar-2021 IND AS	As at 31-Mar-2020 IND AS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	553,690,813	1,035,398,613
Capital work-in-progress	3	41,518,253	25,210,790
Intangible assets	3	-	255,046
Financial Assets			
i Investments	4	5,392,805	5,362,380
ii Other financial assets	5	10,688,927	11,283,710
Deferred Tax Assets (net)	6	-	-
Other non-current assets	7	14,852,087	2,091,471
Total Non-Current Assets		1,026,102,885	1,079,601,950
Current Assets			
Inventories	8	271,611,275	219,249,994
Financial Assets			
i Trade receivables	9	559,279,689	472,906,114
ii Cash and cash equivalents	10	52,746,457	11,497,485
iii Bank balances other than (ii) above	11	7,081,148	5,222,509
iv Loans	12	109,604,307	106,993,889
Current Tax Assets (Net)	13	8,009,819	5,545,642
Other current assets	14	83,793,467	102,147,578
Total Current Assets		1,092,126,162	923,963,211
Total Assets		2,118,229,047	2,003,165,161
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	30,000,850	30,000,850
Other Equity	16	942,276,736	912,299,391
Total Equity		972,277,586	942,300,241
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	292,820,704	276,250,561
Other Financial Liabilities	18	-	2,515,681
Provisions	19	8,883,020	2,941,018
Deferred Tax Liabilities (Net)	20	20,700,000	33,466,500
Other Non-Current Liabilities	21	1,323,085	-
Total Non-Current Liabilities		323,726,809	315,173,760
Current Liabilities			
Financial Liabilities			
i Borrowings	22	82,218,529	105,629,530
ii Trade Payables	23	-	-
Micro & Small Enterprises		-	-
Others		577,558,111	483,421,247
iii Other financial liabilities	24	156,066,864	154,422,254
Other Current Liabilities	25	5,623,327	1,749,884
Provisions	26	757,822	468,255
Total Current Liabilities		822,224,653	745,681,160
Total Liabilities		1,145,951,462	1,060,864,920
Total Equity and Liabilities		2,118,229,047	2,003,165,161
Significant Accounting Policies	2	-0	
Notes to Accounts	1-47		
Accompanying Notes are an integral part of the financial statements			
As per our report of even data attached			
For ROHIT BAID & CO.		For and on behalf of the Board	
(CHARTERED ACCOUNTANTS)			
FRN No.031122N			

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

RAJEEV KHEMKA
(Director)
DIN No 00103250

SANJEEV KHEMKA
(Director)
DIN No 00103295

ASHISH KHEMKA
(Director)
DIN No 00103321

AMIT AGGARWAL
(Company Secretary)

KCL LIMITED

CIN-L74899DL1983PLC068008

Statement of Profit & Loss for the Year ended 31st MARCH, 2021

Particulars	Note No.	Amount in Rs	
		Year Ended 31-Mar-2021	Year Ended 31-Mar-2020
INCOME			
Revenue from Operations	27	1,166,091,412	1,340,298,806
Less: GST Recovered		367,839,772	395,114,940
		<u>2,798,251,690</u>	<u>2,945,123,866</u>
Other Income	28	8,578,722	2,804,570
Total Revenue		<u>2,804,830,371</u>	<u>2,947,928,436</u>
EXPENSES			
(a) Cost of Materials Consumed	29	1,874,044,083	1,872,768,045
(b) Changes in Inventories of Finished Goods & Work-in-	30	(23,468,370)	36,539,524
(c) GST/Excise Duty / Service Tax Paid		3,675,030	705,853
(d) Employee Benefits Expense	31	252,527,176	266,730,580
(e) Finance Costs	32	41,442,078	56,790,318
(f) Depreciation and Amortization Expenses	33	158,745,808	167,709,067
(g) Other Expenses	34	450,443,378	482,100,710
Total Expenses		<u>2,757,409,383</u>	<u>2,883,344,103</u>
Profit before tax		<u>47,421,089</u>	<u>64,584,333</u>
Tax expense:			
Current Tax		24,850,000	10,680,000
Mat Credit Entitlement		-	(10,680,000)
Income Tax related to earlier years		1,429,859	39,560
Deferred Tax Adjustment		(12,766,500)	11,809,300
Total Tax Expenses		<u>13,513,359</u>	<u>11,848,860</u>
Profit for the year		<u>33,907,730</u>	<u>52,735,473</u>
Other Comprehensive Income/(Expense)			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of investment at fair value		30,425	(249,100)
(ii) Remeasurement of net defined benefit plans		(3,960,810)	(913,381)
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>29,977,345</u>	<u>51,572,992</u>
Earnings per Equity Share of face value of Rs.10/- each			
Basic		9.99	17.19
Diluted		9.99	17.19
Significant Accounting Policies	2		
Notes to Accounts	1-47		
Accompanying Notes are an integral part of the financial statements			
As per our report of even date attached			
For ROHIT BAID & CO.		For and on behalf of the Board	
(CHARTERED ACCOUNTANTS)			
FRN No.031122N			

SD/-
(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30/07/2021

SD/-
RAJEEV KHEMKA
(Director)
DIN No 00103260

SANJEEV KHEMKA
(Director)
DIN No 00103295

SD/-
ASHISH KHEMKA
(Director)
DIN No 00103321

SD/-
AMIT AGGARWAL
(Company Secretary)

KCL LIMITED**CIN-L74899DL1983PLC068008****Cash Flow Statement for the period ended 31st March, 2021**

Particulars	Amount in Rs.	
	For the year ended 31.03.2021	For the year ended 31.03.2020
Cash Flow from Operating Activities		
Net Profit before Tax	47,423,089	64,584,533
Add:		
Loss on sales of fixed assets	47,353	316,601
Depreciation and Amortisation	158,745,808	167,709,067
Provision for Gratuity & Leave Encashment	2,530,771	1,154,597
Finance Costs	41,442,078	56,790,318
Less:		
Profit on Sale of Assets	(421,203)	-
Interest Income	(1,071,602)	(553,300)
Operating Profit before Working Capital changes	248,894,296	290,001,616
Changes in Working Capital:		
<i>Adjustments for (increase) / decrease in Operating Assets:</i>		
Inventories	(52,361,261)	20,208,567
Trade Receivables	(88,373,575)	(40,703,716)
Loans-current	(2,620,418)	(2,856,787)
Bank balance other than cash and cash equivalents	(1,858,639)	(4,474,915)
Other current assets	(581,914)	16,990,568
Other financial assets	594,783	(1,200,000)
Other Non Current Assets	(2,598,644)	-
<i>Adjustments for increase / (decrease) in Operating Liabilities:</i>		
Trade Payables	94,136,864	5,359,817
Other financial liabilities	1,644,009	11,890,621
Other Current Liabilities	3,073,443	(6,628,574)
Other Non current liabilities	-	-
Cash generated from Operations	203,559,523	288,567,197
Income Tax Paid (Net of Refunds)	(10,068,023)	(14,520,915)
Net Cash Flow from Operating Activities (A)	193,491,500	274,066,282
B. Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment & Intangible Assets (including	(94,359,438)	(45,542,049)
Advance for capex	(10,121,072)	(1,380,200)
Creditor for capex	1,323,085	(12,845,285)
Increase in investment	-	(6,918,297)
Increase/decrease in Long Term Capital Advances	-	-
Proceeds from Sale of Fixed Assets	1,642,802	175,000
Interest Received	1,071,602	553,300
Net Cash Flow from / (used in) Investing Activities (B)	(100,443,921)	(65,967,531)

C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	16,570,143	(146,314,647)
Net increase / (decrease) in Working Capital Borrowings	(23,418,991)	(1,685,235)
Other Financial Liabilities	(2,515,681)	2,515,681
Interest Paid	(41,442,878)	(56,790,310)
Net Cash Flow from / (used in) Financing Activities (C)	(50,798,607)	(202,284,719)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	41,248,971	5,324,031
Cash and Cash Equivalents at the beginning of the year	11,497,485	5,673,453
Cash and Cash Equivalents at the end of the year	52,746,456	11,497,485
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. Cash and Cash Equivalents at the end of the year:		
* Comprises:		
(a) Cash on hand	686,591	1,013,893
(b) Balances with Banks		
(i) In Current Accounts	38,728,194	10,418,740
(ii) In Fixed Deposits	13,331,672	64,852
	52,746,457	11,497,485
Accompanying Notes are an integral part of the financial statements		
As per our report of even date attached		
For ROHIT SAID & CO. (CHARTERED ACCOUNTANTS) FRN No.031122N	For and on behalf of the Board	
SD/-	SD/-	SD/-
(CA ROHIT SAID) PROPRIETOR M.NO.535947 Place : Faridabad Date: 30/07/2021	RAJEEV KHEMKA (Director) DIN No 00103290	SANJEEV KHEMKA (Director) DIN No 00103295
	ASHISH KHEMKA (Director) DIN No 00103321	AMIT AGGARWAL (Company Secretary)

KCL LIMITED**Statement of Changes in Equity for the year ended 31st March, 2021****A. Equity Share Capital**

	No. of Shares	Amount in Rs
As at 1st April, 2019	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2020	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2021	3,000,085	30,000,850

B. Other Equity

Particulars	Reserves and Surplus				Amount in Rs
	Capital Reserve	Security Premium Account	General Reserve	Retained Earnings & Other Comprehensive Income	Total
As at 1st April, 2019	10,713,772	24,901,400	690,324,176	134,787,051	860,726,399
Profits for the year	-	-	-	52,735,473	52,735,473
Amount transferred to General Reserve	-	-	20,000,000	(20,000,000)	-
Other comprehensive income for the year	-	-	-	(1,162,481)	(1,162,481)
Total comprehensive income for the year	-	-	-	51,572,992	51,572,992
As at 31st March, 2020	10,713,772	24,901,400	710,324,176	186,360,043	932,299,391
Profits for the year	-	-	-	33,907,730	33,907,730
Amount transferred to General Reserve	-	-	-	-	-
Other comprehensive income for the year	-	-	-	(3,930,385)	(3,930,385)
Total comprehensive income for the year	-	-	-	29,977,345	29,977,345
As at 31st March, 2021	10,713,772	24,901,400	710,324,176	196,337,388	942,276,736

As per our report of even date attached

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

For and on behalf of the Board

SD/-
(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30/07/2021

SD/-
RAJEEV KHEMKA
(Director)
DIN No 00103260

SD/-
SANJEEV KHEMKA
(Director)
DIN No 00103295

SD/-
ASHISH KHEMKA
(Director)
DIN No 00103321

SD/-
AMIT AGGARWAL
(Company Secretary)

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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.
- (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.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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.

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.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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.

Export incentives are accounted for on exports of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

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.

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.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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 Period ended 31st March, 2021

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 Leases

The Company has adopted Ind AS 116-Leases, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application. Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.18 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.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

2.19 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.

2.20 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.

2.21 Miscellaneous Expenditure

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

2.22 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 Period ended 31st March, 2021

Amount in Rs.

Note 3 Property, Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions	Sales / or Adjustment	As at 31.03.2021	As at 01.04.2020	For the year	Sales / or Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Owned Assets:										
Land	57,459,122	237,116		57,696,238	-			-	57,696,238	57,459,122
Lease hold Land	99,885,465			99,885,465	-			-	99,885,465	99,885,465
Building	418,793,810	12,251,745		431,045,555	185,872,313	22,189,415		208,061,728	222,983,827	232,921,497
Tubewell	878,233			878,233	758,125	2,886		761,011	117,222	120,108
Plant & Machinery	1,330,996,534	42,433,848	14,518,995	1,358,911,387	769,877,903	103,855,579	13,638,994	859,034,488	499,876,899	561,118,631
Electric Installations	36,048,620	533,850	945,093	35,637,377	25,613,373	5,736,968	910,129	30,440,212	5,137,165	10,435,247
Lift (Installed in plant)		1,477,902		1,477,902		53,689		53,689	1,424,213	
Moulds & Dies	445,195			445,195	348,712	20,143		368,855	76,340	96,483
Testing & Checking	8,438,941	679,684	511,191	8,607,434	5,928,286	1,107,293	442,594	6,592,985	2,014,449	2,510,655
Fire Fighting Equipment	10,207,854	276,378		10,484,232	3,915,724	1,767,746		5,683,470	4,800,762	6,192,130
Furniture & Fixture	27,765,345	363,063	3,097,315	25,031,093	17,456,176	2,749,777		17,215,396	7,815,697	10,309,169
Computer	19,447,785	702,739	3,941,962	16,208,562	17,709,950	906,482	3,832,083	14,784,349	1,424,213	1,737,835
Office Equipments	8,934,503	142,505		9,077,008	7,179,038	873,316		8,052,354	1,024,654	1,755,465
Intercom Systems	4,407,713	391,766		4,799,479	3,735,428	322,464		4,057,892	741,387	672,285
Air Conditioner	8,698,961	786,449		9,485,410	6,638,940	628,723		7,267,663	2,217,747	2,060,021
Vehicle	69,458,241	1,097,618	288,562	70,267,297	52,192,483	6,485,984	211,131	58,467,336	11,799,961	17,265,758
Trucks & Tractors	77,502,609	16,474,527	680,429	93,296,707	51,560,854	10,349,078	629,106	61,280,326	32,015,881	25,941,755
Material Handling Equipments	1,751,993	202,725		1,954,718	1,547,204	135,120		1,682,324	272,394	204,789
Temporary Construction	43,728			43,728	43,728			43,728	-	-
Sub-Total	2,181,164,652	78,051,915	23,983,547	2,235,233,020	1,150,378,237	156,184,663	22,714,594	1,283,848,306	951,384,714	1,030,786,415
Leased Assets:										
Right-of-Use Assets* :										
Land & Building	6,918,297			6,918,297	2,306,099	2,306,099		4,612,198	2,306,099	4,612,198
Sub-Total	6,918,297	-	-	6,918,297	2,306,099	2,306,099	-	4,612,198	2,306,099	4,612,198
Total	2,188,082,949	78,051,915	23,983,547	2,242,151,317	1,152,684,336	158,490,762	22,714,594	1,288,460,504	953,690,813.00	1,035,398,613
Previous year	2,016,468,746	173,110,906	1,516,103	2,188,082,949	986,222,276	167,486,562	1,024,502	1,152,684,336	1,035,398,613	1,030,266,470

* Refer Note no. 45

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Note 3 Property, Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2020	Additions	Sales / or Adjustment	As at 31.03.2021	As at 01.04.2020	For the year	Sales / or Adjustment	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Intangible Assets										
Computer Software	5,744,444			5,744,444	5,489,398	255,046	-	5,744,444	-	255,046
Total	5,744,444	-	-	5,744,444	5,489,398	255,046	-	5,744,444	-	255,046
Previous year	5,744,444	-	-	5,744,444	4,603,720	663,173	-	5,266,893	477,551	1,140,724
Capital Work in Progress										
Plant & Machinery	-	16,307,523		16,307,523	-	-	-	-	16,307,523	-
Land & Building	25,210,730			25,210,730	-	-	-	-	25,210,730	25,210,730
Total	25,210,730	16,307,523	-	41,518,253	-	-	-	-	41,518,253	25,210,730
Previous year	145,860,690	-	120,649,960	25,210,730	-	-	-	-	25,210,730	145,860,690

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

4 Investments

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
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		
609 no. of Equity Shares of Indian Bank	70,705	40,280
Total	5,392,805	5,362,380

4.1 The company has outstanding investment in equity shares of intra group companies aggregating Rs. 53.22 Lacs as at March 31, 2021, 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-2021	As at 31-Mar-2020
Security Deposits with government authorities & others	10,688,927	11,283,710
Total	10,688,927	11,283,710

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-2021	As at 31-Mar-2020
Deferred Tax Assets		
Provision for Retirement Benefits	-	-
Fixed Assets	-	-
Others	-	-
Total Deferred Tax Assets	-	-

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

7 Other non-current assets

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Advance for Capital Goods (A)	11,502,172	1,380,200
Prepaid Expenses (B)	2,598,644	
Preoperative Expenses (subject to allocation) Brought Forward	711,271	711,271
Addition during the year	-	-
Less : Transferred during the year	-	-
Preoperative Expenses (C)	711,271	711,271
Total (A + B+C)	14,812,087	2,091,471

8 Inventories

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Raw materials	188,110,222	157,888,117
Work-in-Progress	33,566,052	14,356,737
Finished Goods	32,841,973	28,603,498
Scrap	182,780	162,200
Stores and Spares	16,910,248	18,239,442
Total	271,611,275	219,249,994

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

9 Trade Receivables

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
- Unsecured, Considered Good	551,200,836	467,876,172
- Doubtful	8,078,852	5,029,942
Total	559,279,689	467,876,172

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 two debtors involving amount of Rs.15.57 Lacs for recovery & the matter is pending with NCLT. In respect of other doubtful debts, the management is trying their best efforts and quite hopeful for recovery & therefore no provision for doubtful debts has been made.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

10 Cash and cash equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Cash and Cash Equivalents		
Cash in hand (as certified by the management)	686,591	1,013,893
Balances with Banks	-	-
- In Current Accounts	38,728,194	10,418,740
- Fixed Deposits (with Banks)	13,331,672	64,852
	-	-
Total	52,746,457	11,497,485

11 Bank balance other than cash and cash equivalents

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Other Bank Balances		
- In Margin Money Accounts	7,059,829	5,206,760
- In Employees Group Gratuity Saving Bank Account	21,319	15,749
Total	7,081,148	5,222,509

12 Loans

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Loans to Related Parties		
Unsecured & considered good, unless otherwise stated, as certified by the management		
- Inter Corporate Loans (Refer Note No. 40)	100,136,808	98,840,178
- Others	1,374,468	1,375,028
	-	-
Loans and Advances to Employees	8,093,031	6,778,683
Total	109,604,307	106,993,889

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

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

13 Current Tax Assets (Net)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current Tax assets (net)	8,009,819	5,545,642
Total	8,009,819	5,545,642

14 Other current assets

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Considered good, unless otherwise stated		
Prepaid Expenses	6,381,274	4,136,980
MAT Credit Entitlement	32,713,987	51,390,000
Balance with Government Authorities		
(i) Balance with Central Excise & GST Dept	22,490,209	28,377,646
(ii) VAT Credit Receivable	982,026	2,716,652
Others		
(i) Advance to Suppliers & Others	17,867,771	11,998,631
(ii) Advance to Gratuity Fund		260,012
(iii) Other Receivables	3,358,200	3,267,657
Total	83,793,467	102,147,578

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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

15 SHARE CAPITAL

Equity Share Capital :

Authorised Share Capital:

50,00,000 Equity Shares of Rs.10/- each
(5000000)

As at
31-Mar-2021

50000000.00

50000000.00

As at
31-Mar-2020

50000000.00

50000000.00

Issued, Subscribed and Paid up Capital:

30,00,085 Equity Shares of Rs.10/- each
(30,00,085) fully paid up

30000850.00

30000850.00

30000850.00

30000850.00

TOTAL

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

Name of the Shareholder	As at 31-Mar-2021		As at 31-Mar-2020	
	No. of Shares	% held	No. of Shares	% held
Late Sh. Shyam Sunder Khemka	526,260	17.54	526,260	17.54
Smt. Chandra Kaia 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-2021		As at 31-Mar-2020	
	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		3000085		3000085

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 Period ended 31st March, 2021

16 Other Equity

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
(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	710,324,176	690,324,176
Add: Transferred from Surplus in Profit and Loss Statement	-	20,000,000
Less: Utilisation	-	-
Closing Balance	710,324,176	710,324,176
(d) Surplus in Profit and Loss Statement		
Opening Balance	166,567,665	133,832,192
Add: Profit for the year	33,907,730	52,735,473
Less Amount transferred to General Reserve	-	20,000,000
Closing Balance	200,475,395	166,567,665
(e) Other comprehensive income		
Opening Balance	(207622.00)	954859.00
Add: Additions / deductions	(3930385.00)	(1162481.00)
Closing Balance	(4138007.00)	(207622.00)
Total	942,276,738	912,299,391

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-2021	As at 31-Mar-2020
Term Loans		
From Banks		
— Term Loan -HSBC Bank	72,816,370	26,339,493
— Term Loan -HDFC	118,558,322	142,592,278
	191,374,692	168,931,771
Vehicle Loans	17,414,153	16,160,659
Unsecured Loans		
From Directors	84,031,859	91,158,131
Total	292,820,704	276,250,561

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

17.1 Term Loans from Hongkong and Shanghai Banking Corporation Ltd & HDFC 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.118, Udyog Vihar, Greater Noida, Factory located at Village Bir Pillasi, Factory Land & Building located at Mopurapili Village, Varadaiapalem Mandal Chittoor, Andhra Pradesh, in the name of Company and personal guarantee of Late 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 Other Financial Liabilities

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Lease Liabilities (Refer Note no. 45)	-	2,515,681
Total	-	2,515,681

19 Provisions

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Employee Benefits		
-Gratuity (funded)	5,132,196	-
-Leave Encashment (un-funded) (Refer note no. 42)	3,750,824	2,941,018
Total	8,883,020	2,941,018

20 Deferred Tax Liabilities (Net)

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Deferred Tax Liabilities		
Fixed Assets	24,997,000	36,791,300
Total Deferred Tax Liabilities (A)	24,997,000	36,791,300
Deferred Tax Assets		
Provision for Retirement Benefits	2,682,100	876,100
Fixed Assets		
Others	1,614,900	2,448,700
Total Deferred Tax Assets (B)	4,297,000	3,324,800
Deferred Tax Liabilities (Net) (A-B)	20,700,000	33,466,500

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

21 Other Non-Current Liabilities

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Creditors for Capital Goods	1,323,085	-
Total	1,323,085	-

22 Short-Term Borrowings

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Secured Working Capital Loan from Bank *	82,218,529	105,629,520
Total	82,218,529	105,629,520

* Working Capital Limit from Hongkong and Shanghai Banking Corporation Ltd & HDFC 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.118, Udyog Vihar, Greater Noida, Factory located at Village Bir Pillasi, Factory Land & Building located at Mopurapilli Village, Varadaiapalem Mandal Chittoor, Andhra Pradesh, in the name of Company and personal guarantee of Late Sh Shyam Sunder Khemka, Sh. Rajeew 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.

23 Trade Payables

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Micro and Small Enterprises *	-	-
Others	577,558,111	483,421,247
Total	577,558,111	483,421,247

22.1 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 31.03.2021	As at 31.03.2020
1 Principal amount due	0.00	0.00
2 Interest due on above	Nil	Nil
3 amount of interest paid in terms of Sec 16 of the MSMED Act	Nil	Nil
4 Amount of interest due and payable for the period of delay	Nil	Nil
5 Amount of interest accrued and remaining unpaid as at year end	Nil	Nil
6 Amount of further interest remaining due and payable in the succeeding years	Nil	Nil

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

24 Other financial liabilities

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Current Maturities of Long Term Debts		
From Banks:		
— Term Loan -HSBC bank	47,215,797	47,172,513
— Term Loan HDFC Bank	64,234,347	65,681,568
Total	111,450,144	112,854,081
Vehicle Loans	14,575,270	12,267,219
Subtotal	126,025,414	125,121,300
Other Payables		
Lease Liabilities (Refer Note no. 45)	2,515,681	2,299,931
Liabilities for Expenses & Others	27,525,769	27,001,023
	30,041,450	29,300,954
Total	156,066,864	154,422,254

25 Other Current Liabilities

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Advances from Customers	2,858,279	-
Statutory Dues	2,765,048	1,749,884
Total	5,623,327	1,749,884

26 Provisions

Particulars	As at 31-Mar-2021	As at 31-Mar-2020
Provision for Corporate Social Responsibility		
Provision for Employee Benefits		
—Leave Encashment (un-funded) (Refer note no. 42)	757,822	468,255
Total	757,822	468,255

KCL LIMITED**Notes on Financial Statements for the Period ended 31st March, 2021**

Amount in Rs

27 Revenue from Operations

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Sale of Products	3,284,396,745	3,463,135,898
Less -Internal Consumption	118,409,812	122,897,092
	3,165,986,933	3,340,238,806
Other Operating revenue		
Duty Draw back	104,489	0
Total	3,166,091,422	3,340,238,806
Sale of Products comprises of	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Corrugated Boards & Boxes	2,422,232,167	2,557,423,858
Duplex Board Cartons	519,941,892	629,508,111
Food Products	103,725,762	109,166,850
Milk /Dairy Products	138,432,933	91,620,182
Scrap	100,063,991	75,416,887
Total - Sale of Products	3,284,396,745	3,463,135,898

28 Other Income

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Interest Received	1,071,602	553300
Sundry Balances Written back	4,606,574	2119564
Rent Received	424,800	120000
Foreign exchange fluctuation	54,543	11706
Profit on Sale of Property, Plant and Equipment	421,203	0
Total	6,578,722	2,804,570

KCL LIMITED**Notes on Financial Statements for the Period ended 31st March, 2021**

Amount in Rs.

29 Cost of Raw Materials Consumed

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Opening Stock	157,888,117	141,858,434
Add: Purchases	2,005,448,136	1,992,062,838
less Internal Consumption	2,163,336,253	2,133,921,272
	101,181,948	103,265,110
Less: Closing Stock	2,062,154,305	2,030,656,162
	188,110,222	157,888,117
Cost of Material Consumed	1,874,044,083	1,872,768,045
Material Consumed comprises:		
1. Kraft Paper	1,460,214,640	1,442,093,609
2. Duplex Board	290,345,892	306,777,140
3. Corrugated Board & Sheet	106,068,904	104,975,979
4. Lamination Film	3,871,565	71,151
5. Flour Wheat & Maize	18,679,014	22,668,446
6. Oils & Fats	2,510,655	2,635,182
7. Chemicals, Flavours, Sugar & Salts	2,727,043	2,545,493
8. Skimmed Milk Powder	0	1,748
9. Packaging Materials(used in packing of food products)	12,626,895	9,131,941
10. Dextros Monohydrate	0	0
11. Raw Milk	36,960,621	24,950,060
12. Others	36,080,075	56,166,912
13. Soyabean	5,140,726	4,015,494
	1,975,226,031	1,976,033,155
Less Internal Consumption	101,181,948	103,265,110
Total	1,874,044,083	1,872,768,045

KCL LIMITED**Notes on Financial Statements for the Period ended 31st March, 2021**

Amount in Rs

30 Changes in Inventories

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<u>Inventories at the end of the year:</u>		
Finished Goods	32,841,973	28,603,498
Work-In-Progress	33,566,052	14,356,737
Scrap	182,780	162,200
	66,590,805	43,122,435
<u>Inventories at the beginning of the year:</u>		
Finished Goods	28,603,498	35,004,154
Work-In-Progress	14,356,737	44,354,725
Scrap	162,200	303,080
	43,122,435	79,661,959
Net (Increase) / Decrease	-23,468,370	36,539,524

31 Employee Benefits Expenses

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Salaries, Wages & Bonus	235,467,312	247,297,275
Contributions to Provident Fund (Refer note no.42)	5,017,397	5,207,894
Contributions to Employee State Insurance Fund	1,626,698	2,112,615
Gratuity	2,229,590	1,401,289
Staff Welfare Expenses	8,186,279	10,711,507
Total	252,527,276	266,730,580

32 Finance Costs

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Interest Expense on:		
(i) Term Loans from Banks	25,489,600	33,469,019
(ii) Others Borrowing Costs	15,612,409	22,783,984
(iii) Interest on lease Liabilities	340,069	537,315.00
Total	41,442,078	56,790,318

33 Depreciation and Amortisation Expenses

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Depreciation on Property, Plant and Equipment	158,490,762	167,486,562
Amortisation on Intangible Assets	255,046	222,505
Total	158,745,808	167,709,067

KCL LIMITED**Notes on Financial Statements for the Period ended 31st March, 2021**

Amount in Rs

34 Other Expenses

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Manufacturing Expenses		
Consumption of Stores and Spare Parts	65,893,367	83,187,469
Consumption of Block Printing & Design	42,815,341	44,657,190
Power and Fuel	99,965,648	100,485,472
Factory Rent including Lease Rentals	512,906	1,200,000
House Keeping Expenses	1,533,910	2,006,414
Carriage Inward Expenses	1,078,496	1,609,594
Expiry of Raw Material/Packing Materials	3,085,679	0
Repairs and Maintenance - Machinery	29,279,576	24,908,855
Repairs and Maintenance - Others	16,182,031	13,674,579
Sub Total	260,356,954	271,729,573
Administration Expenses		
Rent	2,405,873	4,753,939
Insurance	9,253,289	6,421,423
Rates and Taxes	1,751,769	1,545,533
Travelling Expenses	5,680,189	16,428,009
Conveyance Expenses	5,502,348	7,337,687
Printing & Stationery	1,289,992	1,782,372
Postage, Telegram & Telephone	2,266,318	2,365,874
Legal and Professional	1,768,281	1,789,314
Retainership Charges	4,919,470	8,496,483
Security Service Charges	6,326,451	6,684,512
Membership & Subscription	505,521	633,424
Car Maintenance & Vehical Upkeep	4,300,678	5,123,312
Electricity & Water Charges	1,954,704	2,141,833
General Expenses	2,317,223	2,144,855
Employees Recruitment & Training Expenses	8,360,930	5,598,227
Charity & Donation	2,523,100	420,500
ISO Certification Charges	1,009,003	706,649
Sundry Balances Written off	32,390	-
Software charges	562,209	741,478
Bad Debts Written off	4,541,396	1,053,989
Prior Period Expenses	167,378	963,459
Listing Fees	64,000	55,000
Filing Fees	0	37,600
Expenses towards CSR Activities	1,368,787	2,695,000
Penalties	0	1,050,220
Loss on Sale of Property, Plant and Equipment	0	316,601
Loss on theft of Property, Plant and Equipment	47,353	
Interest on late fee	9,157	10,261
Bank Charges	721,546	1,453,826
Sub Total	69,649,355	82,751,380

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Selling Expenses	10,702,570	16,056,495
Consumption of Packing Materials (Net)	90,731,775	90,830,173
Freight Outward (Net)	6,600,007	11,111,286
Sales Promotion Expenses	1,458,899	2,087,963
Discount Allowed	21,305	888,283
Advertisement & Publicity	1,561,610	2,420,101
Sales Tax Paid	8,303,680	3,175,830
Damages & Claims	268,159	54,493
Commission on Consignment Sales	309,063	515,133
Product & Sample Distribution Exp		
Sub Total	119,957,069	127,139,757
Payments to the Auditors		
As Auditors - Statutory Audit	300,000	300,000
For Tax Audit	60,000	60,000
For Internal Audit	120,000	120,000
Sub Total	480,000	480,000
Total	450,443,378	482,100,710

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-2021	Year ended 31-Mar-2020
A. Gross amount required to be spent by the company during the year	1070313	1590441
i) Construction/acquisition of assets		
ii) on purpose other than (i) above		
B. Amount spent during the year		
i) Amount spent	1368787	2,695,000
i) Amount Yet to be spent	—	—
Total	1368787	2695000

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Amount in Rs.

Note 35 Earning Per Share

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Earnings Per Share		
i) Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (in Rs.)	29,977,345	51,572,992
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.)	9.99	17.19
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-2021	As at 31-Mar-2020
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	14,052,749	10,268,711
	21,047,181	17,859,143
Commitments		
- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	20,195,242	5,055,000
- Export Obligation against Import under EPCG Licence	481,714,685	481,714,685
	501,909,927	486,769,685

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Note -37

Amount in Rs.

37.1	Details of Consumption of Imported and Indigenous items		Year Ended on 31.03.2021		Year Ended on 31.03.2020	
			Percentage	Value	Percentage	Value
	Raw Materials		3.79	71102171	3.87	72500059
	a) Imported		96.21	1802941912	96.13	1800267986
	b) Indigenous		100.00	1874044083	100.00	1872768045
	Stores and spares					
	a) Imported		0	0	0	0
	b) Indigenous		100	65891350	100	83187469
			100	65893367.26	100	83187469
37.2	Value of Imports calculated on CIF basis		Year Ended on 31.03.2021		Year Ended on 31.03.2020	
	Raw Materials		63532161		70088976	
	Components- Spare Parts (Repair)		5010033		4330494	
	Capital Goods		40428064		3055010	
37.3	Earnings in Foreign Exchange		Year Ended on 31.03.2021		Year Ended on 31.03.2020	
	Export of Goods calculated on FOB basis		8454895		850673	
37.4	Expenditure in Foreign Currency		Year Ended on 31.03.2021		Year Ended on 31.03.2020	
	Travelling Expenses & other matters		6845742		6468171	

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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, Uttaranchal, Dist- Udham Singh Nagar, Khata No 0057, Khasara No 315/3.4.59 acre area, debited to Capital Work in Progress. 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.
- c) The Company has filed Writ Petition in the month of March, 2021 against Greater Noida Industrial Development Authority in respect of its lease hold property situated at 118, Udyog Vihar, Greater Noida, against outstanding dues of Rs.3.57 Crores demanded by the authority for outstanding lease rent payments, interest & other charges levied thereon, before Hon'ble Allahabad High Court, which is pending for disposal as on date.
- 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, Varadalahpalem Mandal, Racheria Panchayat of Mopurupali Village, Chittoor District, Andhra Pradesh and this unit is eligible for tax benefits up to Assessment Year 2020-21 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 COVID-19 has caused significant disruptions to businesses across India. As a result of lock down the volumes for the month of March, 2020 has been impacted. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables and intangibles. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.
- 38.6 Sales Tax assessment of units of the company situated in different states have been completed up to Financial Year 2016-17 and assessment for the next financial years are in process.
- 38.7 The Income Tax Assessment 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.3,01,750/- is outstanding as on date pertains to A.Y. 2009-10 to A.Y. 2012-13, 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 Allahabad 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.

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

- The Company has filed demand notice u/s II of The Insolvency and Bankruptcy Code, 2016, against two debtors involving amount of Rs. 15.57 Lacs for recovery and the matter is pending with NCLT.

- 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 Period ended 31st March, 2021

39. Derivatives:-

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

Buy or Sell	As on 31.03.2021		As on 31.03.2020		Foreign Currency
	(In Rs.)	Amount in Foreign Currency	(In Rs.)	Amount in Foreign Currency	
Buy	-	-	-	-	NA
Sell	-	-	-	-	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 31.03.2021		As on 31.03.2020		Foreign Currency
	(In Rs.)	Amount in Foreign Currency	(In Rs.)	Amount in Foreign Currency	
a) Receivables:-	Nil		45592	486.79	--
b) Advances received from customer	2113270.00	30262.20	0.00	0.00	
c) Payables:-					
Trade Payables	16923627.00	824917.1	7838358	103970.8	USD & RMB

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

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 :

(i) Key Management Personnel and Relatives

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

1. Sh. Shyam Sunder Khemka (Ex Chairman cum Managing Director)	Sh. Rajeev Khemka (Whole Time Director)	Sh. Sanjeev Khemka (Whole Time Director)	Sh. Ashish Khemka (Whole Time Director)
Smt. Chandra Kale 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. Serthik Khemka (Son of Sh. Sanjeev Khemka)
Smt. Sonika Khemka (Wife of Sh. Deeptanshu Khemka)	Mr. Varinda Khemka (Daughter of Sh. Rajeev Khemka, Director)		

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

Particulars	Key Management Personnel and their Relatives		Other Parties which significantly influence / are influenced by the Company (either individually or with others)			
	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)	31/03/2021 Amount (Rs.)	31/03/2020 Amount (Rs.)		
a) Rent Paid	1180000	5680000	—	1200000		
b) Remuneration Paid	28046400	27526826	—	—		
c) Consultancy Charges	0	600000	—	—		
d) Inter-Corporate Deposit paid/given	—	—	—	—		
e) Unsecured Loans taken/received	2900000	11380068	—	—		
f) Unsecured Loans repaid	11703479	38500000	—	—		
g) Other Payment	—	—	1296630	1481123		
h) Balance outstanding at the year end						
- Receivables	—	—	100136808	98840178		
- Payables	84031859	81158111	—	—		

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Amount in Rs.

Note 41

Segment Information

The Company has identified the following two Primary Business Segments during the year ended 31st March, 2021

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
Revenue						
Gross	For the Year ended	31-Mar-21	3,042,342,539	242,158,695		3,284,501,234
		31-Mar-20	3,262,348,866	200,787,032		3,463,135,898
Inter Segment Turnover	For the Year ended	31-Mar-21	118,409,812	-		118,409,812
		31-Mar-20	122,897,092	-		122,897,092
External Turnover	For the Year ended	31-Mar-21	2,923,932,727	242,158,695		3,166,091,422
		31-Mar-20	3,139,451,774	200,787,032		3,340,238,806
Less: Sales Tax	For the Year ended	31-Mar-21	-	-		-
		31-Mar-20				3,340,238,806
Less: GST RECOVERED	For the Year ended	31-Mar-21	339,577,634	28,262,138		367,839,772
		31-Mar-20	369,285,548	25,829,392		395,114,940
Net Turnover	For the Year ended	31-Mar-21	2,584,355,093	213,896,557		2,798,251,650
		31-Mar-20	2,770,166,226	174,957,640		2,945,123,866

Result

Segment Result						
Profit Before Tax & Interest	For the Year ended	31-Mar-21	60,594,410	27,384,749	884,008	88,863,167
		31-Mar-20	109,928,215	14,938,865	-3,492,429	121,374,651
Operating Profit	For the Year ended	31-Mar-21				88,863,167
		31-Mar-20				121,374,651
Interest Expenses	For the Year ended	31-Mar-21				41,442,078
		31-Mar-20				56,790,318
Other Income	For the Year ended	31-Mar-21				6,578,722
		31-Mar-20				2,804,570
Income Tax	For the Year ended	31-Mar-21				13,513,359
		31-Mar-20				11,848,860
Profit From ordinary activities	For the Year ended	31-Mar-21				33,907,730
		31-Mar-20				52,735,473
Add/Less: OCI	For the Year ended	31-Mar-21				-3,930,385
		31-Mar-20				-1,162,481
Net Profit after Tax	For the Year ended	31-Mar-21				29,977,345
		31-Mar-20				51,572,992

KCL LIMITED

Notes on Financial Statements for the Period ended 31st March, 2021

Amount in Rs.

Other Information

Segment Assets

Segment Assets						
Property, Plant and Equipment	For the Year ended	31-Mar-21	829,947,619	101,215,060	22,528,134	953,690,813
		31-Mar-20	910,223,293	101,180,838	23,994,482	1,035,398,613
Intangible assets	For the Year ended	31-Mar-21	-			0
		31-Mar-20	255046			255046
Capital Work in Progress			16,307,523	-	25,210,730	41,518,253
			-	-	25,210,730	25,210,730
Financial Assets						
Investments	For the Year ended	31-Mar-21			5392805	5,392,805
		31-Mar-20			5362380	5,362,380
Other Financial Assets	For the Year ended	31-Mar-21	9081487	1607440	0	10,688,927
		31-Mar-20	9816257	1453440	14013	11,283,710
OtherNon Current Assets	For the Year ended	31-Mar-21	10,923,662	3,177,154	711,271	14,812,087
		31-Mar-20	-	1,380,200	711,271	2,091,471
Current Assets, Loans and Advances	For the Year ended	31-Mar-21	867,718,719	72,850,889	151,556,554	1,092,126,162
		31-Mar-20	691,181,456	70,563,089	161,818,666	923,563,211
Total Segment Assets	For the Year ended	31-Mar-21	1,733,979,010	178,850,543	205,399,494	2,118,229,047
		31-Mar-20	1,611,476,052	174,577,567	217,111,542	2,003,165,161
Total Assets	For the Year ended	31-Mar-21				2,118,229,047
		31-Mar-20				2,003,165,161

Segment Liabilities

Non Current Liabilities	As at	31-Mar-21	232,036,129	17,314,979	74,375,701	323,726,809
		31-Mar-20	200,626,351	16,079,404	98,468,005	315,173,760
Current Liabilities & Provisions	As at	31-Mar-21	806,677,507	12,016,902	3,530,244	822,224,653
		31-Mar-20	724,294,355	16,051,524	5,345,281	745,691,160
Total Segment Liabilities	As at	31-Mar-21	1,038,713,636	29,331,881	77,905,945	1,145,951,462
		31-Mar-20	924,920,706	32,130,928	103,813,286	1,060,864,920
Total Liabilities	As at	31-Mar-21				1,145,951,462
		31-Mar-20				1,060,864,920

Capital Employed	As at	31-Mar-21	695,265,374	149,518,662	127,493,549	972,277,585
		31-Mar-20	686,555,346	142,446,639	113,298,256	942,300,241
Capital Expenditure	As at	31-Mar-21				94,359,438
		31-Mar-20				45,542,049
Depreciation	For the Year ended	31-Mar-21	134,963,471	17,487,077	6,295,260	158,745,808
		31-Mar-20	142,847,015	18,165,827	6,696,225	167,709,067
Non - Cash Expenses other than Depreciation	For the Year ended	31-Mar-21				-
		31-Mar-20				-

KCL LIMITED**Notes on Financial Statements for the Year ended 31st March, 2021****42 Employee Benefits****a) Defined Contribution Plans**

The Company has recognised ₹30.17 lacs (FY ₹ 51.00 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 summarise the components of the funded status and amounts recognised in the balance sheet for the respective plans (as per Actuarial valuation as on 31st March 2021).

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-21	31-Mar-20	31-Mar-21	31-Mar-20
Discount Rate (based on the market yields available on Government bonds at the accounting date with term that matches that of the liabilities)	5.79%	6.79%	6.78%	6.79%
Salary Increase (taking into account inflation, seniority, promotion and other relevant factor)	3.00%	3.00%	3.00%	3.00%
Withdrawal Rate (Per Annum) - 18 to 30 Years	3.00%	3.00%	3.00%	3.00%
Withdrawal Rate (Per Annum) - 30 to 44 Years	3.00%	3.00%	3.00%	3.00%
Withdrawal Rate (Per Annum) - 44 to 58 Years	3.00%	3.00%	3.00%	3.00%

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

Charges in the present value of Defined Benefit Obligation are as follows			Amount in Rs.	
Particulars	Leave encashment		Gratuity	
	As at			
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	4,308,846	3,409,279	17,476,186	12,428,635
Present value of the obligation at the end of the year				

Net Asset / (Liability) recognised in the Balance Sheet as on 31st March 2020

Net Asset / (Liability) recognized in the Balance Sheet as on 31st March 2021		Amount in Rs.			
Particulars	Leave encashment		Gratuity		
	As at				
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	
Present Value of Defined Benefit Obligation at the end of the year	4,508,846	3,409,273	17,476,186	12,428,635	
Fair Value of Plan Assets	-	-	12,345,970	11,688,627	
Net Asset / (Liability) recognized in the Balance Sheet	(4,508,846)	(3,409,273)	(5,130,216)	260,012	

Reconciliation of Obligation at the end 31st March 2020

Statement of Obligation at the end 31st March 2020		Amount in Rs.			
Particulars	Leave encashment		Gratuity		
	As at				
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	
Current Liability (Short Term)	797,822	488,299	1,778,516	1,587,297	
Non Current Liability (Long Term)	5,750,824	2,941,024	14,887,670	11,080,738	
Total	6,508,646	3,409,273	17,476,186	12,428,635	

KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2021

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, 2021 were as follows :

Amount in Rs

S. No.	Particulars	Carrying Value/Fair Value	
		As At 31.03.2021	As At 31.03.2020
	Assets :		
i	Investments	5,392,805	5,362,380
ii	Cash and cash equivalents	52,746,457	11,497,485
iii	Bank balances other than (ii) above	7,081,148	5,222,509
iv	Trade receivables	559,279,689	472,906,114
v	Loans	109,604,307	106,993,889
vi	Other financial assets	10,688,927	11,283,710
	Total	744,793,333	613,266,087
	Liabilities :		
i	Non Current Borrowings	292,820,704	276,250,561
ii	Other Financial Liabilities	-	2,515,681
iv	Current Borrowings	82,218,529	105,629,520
v	Trade Payables	577,558,111	483,421,247
vi	Other financial liabilities	156,066,864	154,422,254
	Total	1,108,664,208	1,022,239,263

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

Notes on Financial Statements for the Year ended 31st March, 2021

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 2021				
Borrowings	501,064,646	208,243,943	292,820,704	501,064,646
Trade Payables	577,558,111	577,558,111	-	577,558,111
Other Financial Liabilities	30,041,450	30,041,450	-	30,041,450
As at 31st March 2020				
Borrowings	507,001,381	230,750,820	276,250,561	507,001,381
Trade Payables	483,421,247	483,421,247	-	483,421,247
Other Financial Liabilities	29,300,954	29,300,954	-	29,300,954

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. 988.40 lacs (31st March, 2019: Rs.973.58 lacs) .

The Company's maximum exposure to credit risk as at 31st March, 2021, 31st March, 2020 is the carrying value of each class of financial assets.

45 Ind AS 116

(a) Impact on transition to Ind AS 116 for the year ended 31 March 2020

On transition to Ind AS 116, the Company recognized right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below:

Particulars	Amount (In INR)
Right of use assets – property plant and equipment	6,918,297
Lease liabilities	6,918,297

(b) Information about leases for which the Company is a lessee is presented below

Right-of-use assets

Right-of-use assets related to lease hold properties

Particulars	Amount in Rs
a) Balance as at 1 April 2020	4,612,158
b) Depreciation charge for the year	2,306,099
c) Balance as at 31 March 2021	2,306,099

Other disclosure w.r.t. leases:

- Interest expense (included in finance cost) amounts to Rs. 340069/- (PY Rs. 537315/-)
- The total cash outflow for the year ended 31 March 2021 amounts to Rs. 2299631/- (PY Rs. 2102685/-)

Lease liabilities

Maturity analysis – contractual discounted cash flows

Particulars	Carrying Amount	Amount in Rs		
		Contractual cash flows		
		0-1 Years	1-5 Years	5 Years and
Lease Liabilities	2,515,681	2,515,681	-	-

46 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.

47 Note 1 to 46 are annexed to and form an integral part of the Balance Sheet as at 31st Mar 2021, 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

For and on behalf of the Board

SD/-
(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30/07/2021

SD/-
RAJEEV KHEMKA
(Director)
DIN No 00103260

SD/-
SANJEEV KHEMKA
(Director)
DIN No 00103295

SD/-
ASHISH KHEMKA
(Director)
DIN No 00103321

SD/-
AMIT AGGARWAL
(Company Secretary)