

KCL LIMITED

**ANNUAL REPORT
2017-2018**



KCL LIMITED
(Formerly Known as Khemka Containers Limited)

CORPORATE INFORMATION

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITOR

M/s Rohit Baid & Co.

INTERNAL AUDITOR

M/s M.L. Bhansali & Co.

SECRETARIAL AUDITOR

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

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS

Allahabad Bank, NIT Faridabad
HSBC Bank, Gurgaon

Stock Exchange

Metropolitan Stock Exchange of India Limited Mumbai

ISIN: INE061C01010

**Non Executive &
Independent Director**

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

Registered Office

E-292, Sarita Vihar
New Delhi-110044

Manufacturing Plants

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

Greater Noida Division

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

Baddi Division-II

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

Printing Division:

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

Baddi Division

Sai Road, Baddi (H.P)

Sri-city Division

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

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NOTICE

Notice is hereby given that the 35th Annual General Meeting of KCL Limited (CIN: L74899DL1983PLC068008) will be held on Saturday, September 29th 2018 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 2018, 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. Sanjeev Khemka (holding DIN No: 00103295), who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashish Khemka (holding DIN No: 00103321), 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 an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules,2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the company hereby ratifies the appointment of M/s Rohit Baid & Co., Chartered Accountants, Faridabad, bearing Firm Registration No 031122N with Institute of Chartered Accountant of India), as auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) of the Company to be held in the year 2019 on a remuneration to be determined by the Board mutually in consultation with the auditors and reimbursement of audit expenses at actual.”

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

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By Order of the Board
For KCL LIMITED

SD/-

(Amit Aggarwal)
Company Secretary

Date: 04th Sept. 2017

Place: Faridabad

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 Saturday 22nd to 28th September, 2018 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.

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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. Sanjeev Khemka and Mr. Ashish Khemka, Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend their respective re-appointments.
10. Mr. Sanjeev Khemka and Mr. Ashish 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. Rajeev Khemka Director, being related to Mr. Sanjeev Khemka may be deemed to be interested in the resolution set out at Item No. 2 of the Notice. Mr. Deeptanshu Khemka, Director, being related to Mr. Ashish 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 2017-18 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.

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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 35th AGM and the Annual Report 2017-18 will be available on the Company's website, <http://www.kcl.co.in>. The physical copies of the documents will also be available at the Company's Corporate office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: Plot No 297, Sector-24 Faridabad, Haryana.
16. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
17. Mr. Vikas Kumar Verma, Partner, M/s. Vikas Verma & Associates, Practicing Company Secretaries (Membership No. FCS .9192, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
18. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
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.

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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 28th September, 2018. The Postal Ballot received after the said date will be treated as not having been received.

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

- In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The remote e-voting period commences on 26th September, 2018 (9:00 am) and ends on 28th September, 2018 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:

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- In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put your user ID and password. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “M/s KCL Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to

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vikasverma@vvanda.com with a copy marked to evoting@nsdl.co.in

- In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - a. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID /PASSWORD/PIN
 - b. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

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

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

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

- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September 2018.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- Mr. Vikas Kumar Verma, Practicing Company Secretary (Membership No. FCS: 9192) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kcl.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Limited, Mumbai.

Other Instructions:

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- The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 22nd September, 2018.
- A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 22nd September, 2018, only shall be entitled to avail the facility of remote e-voting / voting at AGM.
- Any person, who acquires shares and become Member of the Company after the dispatch of the notice and holds shares as of the cut-off date i.e. 22nd September, 2018 may obtain the login ID and password in the manner mentioned above. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.
- The remote e-voting period will commence on Wednesday, 26th September, 2018 (9.00 A.M.) and ends on Friday, 28th September, 2017 (5.00 P.M.). The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- The Scrutinizer(s) shall immediately after the conclusion of voting at the Meeting, count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company. The Scrutinizer(s) shall submit a consolidated Scrutinizers’ Report of the votes cast in favour or against, if any, not later than 3 (Three) days of conclusion of the Meeting to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or any other person authorized by him in writing shall declare the results of the voting forthwith.
- The Result declared along with the Scrutinizers’ Report shall be placed on the Company’s website: www.kcl.co.in and on the website of NSDL immediately after the results are declared by the Chairman or any other person authorized by him and the Company shall, simultaneously, forward the results to the concerned Stock exchange where its equity shares are listed.

By Order of the Board

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For KCL LIMITED

Date:

(Amit Aggarwal)

Place:

Company Secretary

Annexure-A

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

Name of Directors	Sanjeev Khemka	Ashish Khemka
Age	50	26
Qualifications	B.Com	B.tech from UK and MBA from Mumbai
Experience (including expertise in specific functional area)/Brief Resume	30 Years of vide experience in Administration, Financial matters and Production	22 years of vide experience in packaging, corrugation and technical line.
Terms and Conditions of Appointment /Reappointment	As per the agreement	As per the agreement
Remuneration last drawn (including sitting fees, if any)	325000	325000
Date of first appointment on the Board	01/08/1991	01/08/1996
Shareholding in the Company as on March 31, 2018	264875	331350
Relationship with other Directors / Key Managerial Personnel	Brother of Ashish Khemka	Brother of Rajeev Khemka.
Number of meetings of the Board attended during the year	09 (Nine)	09 (Nine)
Directorships of other Boards as on March 31, 2018	Nil	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2017	Member in CSR Committee.	Nil

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DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 35th Annual Report of the Company together with the Audited Accounts for the financial year ended on March 31, 2018.

• **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) The Financial Statements of the Company - comprising of the Balance Sheet as at 31st March, 2018 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;
- b) in the preparation of the annual accounts, the applicable accounting standards had been followed along-with the proper explanation and there are no material departures;
- c) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit and loss of the company for that period;
- d) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- f) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively; and
- g) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

• **FINANCIAL PERFORMANCE**

The Comparative financial statements for the financial year ended 31st March, 2018, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs. On that basis, our sales increased to Rs 233.89 Crores for the current year as against Rs 230.64 crores in the previous year. Our net profits declined to Rs 3.59 Crores for the current year as against Rs 11.71 Crores in the previous year.

Key highlights of financial performance of your Company for the financial year 2017-18 are provided below:

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(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017
Revenue from Operations	23346.49	23051.61
Other Income	43.10	12.88
Total Revenue	23389.59	23064.49
Less: Expenditure	22858.71	21638.46
Net Profit Before Tax for the Year	530.88	1426.03
Tax Expenses	171.61	254.48
Net Profit After Tax for the Year	359.26	1171.54
Other Comprehensive Income	(1.33)	0.99
Total Comprehensive income for the year	357.93	1172.54

Subsidiary Companies, Joint Venture and Consolidated Financial Statements

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

- **RESERVES**

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

- **DIVIDEND**

The Directors, keeping into consideration the ever broadening horizon and further cash flow requirements for repayment of term loans and additional working capital needs of the company do not recommend any dividend for the financial year 2017-2018.

Transfer to Investor Education and Protection Fund Authority

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

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

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

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

There was no change in the nature of business of the Company during the financial year ended March 31, 2018.

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

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

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

During the financial year 2017-2018, the Board of Directors of the Company, met (09) times on, April 01st 2017, May 05th 2017, May 30th 2017, June 13th 2017, June 30th 2017, September 13th 2017, October 16th 2017, November 14th 2017 and February 14th 2018.

- **DECLARATION BY INDEPENDENT DIRECTORS**

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

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

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

- **FORMAL ANNUAL EVALUATION**

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

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

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- **EXTRACT OF THE ANNUAL RETURN**

Extract of Annual Return Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2018 in form MGT-9 is enclosed as Annexure I to this report.

- **AUDITORS**

- a) **Statutory Auditors**

As per Section 139 of the Companies Act, 2013 and based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014 and in accordance with the approval accorded by the Members at the 34th Annual General Meeting held on September 30, 2017, M/s Rohit Baid & Co., Chartered Accountants (FRN 031122N, Faridabad, appointed as Statutory auditor for a period of five years.

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

- b) **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed there under, M/s Vikas Verma & Associates were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending March 31, 2018. A Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as ANNEXURE –II. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

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

During the financial year ended March 31, 2018, no Loans, Investment or guarantee u/s 186 of the Companies Act, 2013 was made by the Company

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

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

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

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

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- **CORPORATE GOVERNANCE**

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

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

- **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

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

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

- **AUDIT COMMITTEE**

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

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

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

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

- **AUDIT COMMITTEE ATTENDANCE**

The audit committee held 5 (five) meetings during the year ended March 31, 2018. These were held on 12/06/2017, 30/06/2017, 12/09/2017, 12/11/2017 & 13/02/2018. The attendance details of the audit committee meetings are as follows:

Names Of Directors	No. of Board Meeting held	No. of meetings attended
Mr. Sunil Bansal	5	5
Mr. Rahul Jain	5	5
Mrs Chandra Kala Khemka	5	5

- **RISK MANAGEMENT POLICY**

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

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

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

- **CREDIT RATINGS**

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

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

- **LISTING OF SECURITIES**

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

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

Conservation Of Energy:

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

Technology absorption, adaption and innovation:

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

Research and Development (R&D):

The company has in house research and development facilities.

Foreign exchange earnings and outgo:

<i>Foreign exchange earnings and outgo</i>	2017-18	2016-17
Earning for value of exports on F.O.B basis	NIL	NIL
Expenditure in foreign currency :		
• Raw Material	75507591	96052991.46
• Repairs & Maintenance(P&M)	4677055	1932905
• Capital Goods	33554341	251180871
• Traveling Expenses	113738987	349166767.46

- **Particulars of employees**

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

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

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• **MANAGEMENT DISCUSSION AND ANALYSIS**

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

• **DISCLOSURE REQUIREMENTS**

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

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

• **ACKNOWLEDGEMENTS**

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

Date: 30.05.2018
Place Faridabad

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

SD/-
Shyam Sunder Khemka
Managing Director
Din No 00103387

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Annexure-I

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

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

I. REGISTRATION & OTHER DETAILS:

- | | |
|---|--|
| i) CIN : | L74899DL1983PLC068008 |
| ii) Registration Date: | 21/01/1983 |
| iii) Name of the Company: | KCL LIMITED |
| iv) Category/ Sub-category of the Company: | 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: 0120-2232417 |
| vi) Whether listed company : | Yes |
| vii) Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s Beetal Financial & Computer Services Pvt Ltd. ,
3rd Floor, 99 Madangir, BH-Local Shopping Complex,
Near Dada Harsukhdas Mandir, New Delhi-110062 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

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

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

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(ii) SHARE HOLDING OF PROMOTERS

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

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

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

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

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

(v) Shareholding of Directors & KMP

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

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

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

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Annexure-II

Form No.MR-3
SECRETARIALAUDITREPORT

FORTHE FINANCIAL YEAR ENDED 31/03/2018

[Pursuant to section204(1) oftheCompaniesAct,2013andruleNo.9oftheCompanies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 (herein after called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and accordingly, 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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by KCL Limited ("the Company")for the financial year ended on March 31, 2018 according to the provisions of:

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

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

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

- I. The Employees Provident fund and Miscellaneous Provisions Act, 1952 along with labour laws
- II. Employees State Insurance Act, 1948
- III. Maternity Benefit Act, 1961
- IV. Payment Gratuity Act, 1972
- V. Factories Act, 1949
- VI. Environmental Act, 1986 and its allied applicable laws

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

- 1. Secretarial Standard issued by The Institute of Company Secretaries of India.
- 2. The Listing Agreements/Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 entered into by the Company with Stock Exchange(s).

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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:-

1. The Company has complied the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the Company has filed its unaudited/audited quarterly/yearly financial results for the quarter ended 31st December, 2016 & 31st March, 2018 on 13th June, 2017 & 09th July, 2018 respectively i.e. beyond 30 days from the end of quarter & quarter ended on i.e. beyond 45 days from the end of financial year 2017-18.

Further the stock exchange has imposed penalty of Rs.11, 26,902/- for the aforesaid non-compliance and the company has agreed to pay the same.

2. The Company has not filled CHG-1 in respect of hypothecation for car loan amounting to Rs. 90,00,000, Rs.8,57,000 & Rs. 13,77,500 availed from private Banks and approved vide board resolutions dated 01st April, 2016, 16th April, 2016 & 19th September, 2016 respectively. Further same non compliance has been carry forward from FY 2016-17
3. Non Compliance of Section 185 of Companies Act, 2013 i.e. company has outstanding loans / advances of Rs. 961.90 lacs to KCL Milk Products India Private Limited, in whom the director is interested.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and there exist the system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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Thanking you,
For M/s. Vikas Verma & Associates
Company Secretaries

Date: - 30.05.2018
Place:- New Delhi

SD/-
Vikas Kumar Verma
CP No. 10786
Membership No. F9192

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Annexure- III

FORM NO. AOC- 2

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

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

- **Details of contracts or arrangements or transactions not at arm's length basis:** KCL Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.
- **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 2017-18

Name of Related Party and Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of contracts/ arrangement/ transactions	Salient terms of contracts/ arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance , if any
FHS	Rent Paid	As per Contract	12,00,000		Nil
Wellness Foods and KCL Milk	Purchases	As per Contract	Nil		Nil
Mr. Shyam Sunder Khemka and Mrs. Chander Kala Khemka	Rent Paid	As per Contract	73,80,000		Nil

Place: Faridabad
Date: 30.05.2018

By the order of the board
For KCL Limited

SD/-
(Rajeev Khemka)
Director
DIN: 00103260

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Annexure-IV

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

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

2. BOARD OF DIRECTORS

As at March 31st, 2018, the Company has Eight Directors. Out of the Eight Directors, five (i.e. 62.50%) are executive directors and Three (i.e.37.50%) are non-executive and independent directors. All the three Non-Executive Directors are Independent Directors and are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence Companies Act, 2013 and the Listing Regulations.

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

a) Appointment of Directors

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

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing

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

b) Composition of the Board

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

During the financial year under review, 9 (Nine) meetings of the Board were held on April 01st 2017, May 05th 2017, May 30th 2017, June 13th 2017, June 30th 2017, September 13th 2017, October 16th 2017, November 14th 2017 and February 14th 2018. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days

Name of Director	Category of Directorships	Number of Board meetings during the year 2017-18		Whether attended last AGM	Number of other Directorships		Committee Membership	
		Hel d	Attended				Chairman	Member
Shyam Sunder Khemka	Chairman M/Director	09	09	Yes	Nil		Nil	Nil
Chander Kala Khemka	Non Executive	09	09	Yes	Nil		Nil	3
Rajeev Khemka	Director	09	09	Yes	Nil		1	1
Ashish Khemka	Director	09	09	Yes	Nil		Nil	Nil
Sunil Bansal	Non Executive	02	02	Yes	Nil		1	2
Rahul Jain	Non Executive	09	09	Yes	Nil	Nil	0	3
Sanjeev Khemka	Director	09	09	Yes	Nil	Nil	Nil	1
Deeptanshu Khemka	Director	09	09	Yes	Nil	Nil	Nil	Nil

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Duarte Ian Russell	Director	09	01	No	NIL	Nil	Nil	Nil
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Mr. Duarte Ian Russell has appointed as Director w.e.f 16th October, 2017 and resigned on 14th February, 2018.

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

3. Committees of the board

a) Audit Committee

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

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

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

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

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- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - Oversee financial reporting controls and process for Procurement of material;
 - To mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment and terms of remuneration of the internal auditor.
- (ii). The previous annual general meeting (AGM) of the Company was held on September 30, 2017 and was attended by Mr. Sunil Bansal, Chairman of the audit committee.
- (iii). The composition of the audit committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	5	5

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Sunil Bansal	Independent, Non-Executive	5	5
Rahul Jain	Independent, Non-Executive	5	5

Five audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 12th June 2017, 30th June 2017, 12th September 2017, 12th November 2017, and 13th February 2018. The necessary quorum was present for all the meetings.

b) Nomination and remuneration committee

- The Nomination and Remuneration Committee of the Company is constituted in line with the Regulations 19 of SEBI (LODR) Regulations read with Section 178 of the Companies Act, 2013.
- Recommend to the board the set up and composition of the board and its committees. Including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- Shri Rahul Jain was designated as the Chairman of the Committee. During the year, one meeting of the Nomination and Remuneration committee was held on 30th May 2017. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2017-18	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	01	01
Sunil Bansal	Independent,	01	01

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	Non-Executive		
Rahul Jain	Independent, Non-Executive	01	01

- **Remuneration policy:**

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

5. Remuneration to Executive Directors:

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

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

6. Remuneration to Non-Executive directors :

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

c) **Stakeholders' relationship committee**

- The Company had a shareholders / investors grievance committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature

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of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Act and revised clause 49 of the Listing Agreement.

- During the year, one meeting of the stakeholders' relationship committee was held on 31st March, 2018. 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 2017-18	
		Held	Attended
Chander Kala Khemka	Independent, Non-Executive	01	01
Sunil Bansal	Independent, Non-Executive	01	01
Rahul Jain	Independent, Non-Executive	01	01

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

d) Corporate Social Responsibility Committee

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

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

Name	Category	Number of meetings during the financial year 2017-18	
		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 18th May, 2017 and 16th March 2018. Mr. Rajeev Khemka was designated as the Chairman of the

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Committee.

The responsibilities of the CSR Committee include:

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

Average net profit of the company for last three financial years for the purpose of computation of CSR: 10.84 Cr

Prescribed CSR Expenditure (two per cent of the Average Net profit for last three years): Rs 21.68 lacs, But the company has contribute a total sum of Rs 34.37 lacs under the CSR activities including the last year Provisions of Rs 6.15 lacs.

e) **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, 2018, 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

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4. General body meetings

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

Financial year	Venue	Date & Time	Special Resolutions Passed
2014-15	E-292, Sarita Vihar, New Delhi-110044	30.09.2015, 11.30 a.m.	Nil
2015-16	E-292, Sarita Vihar, New Delhi-110044	30.09.2016, 11.30 a.m.	Nil
2016-17	E-292, Sarita Vihar, New Delhi-110044	30.09.2017, 11.30 a.m.	Nil

- Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2017-18.

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

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

5. Disclosures :

Related Party Transactions

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

1. Details of non-compliance by the Company, penalties, 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 2014-15, 2015-16 and 2016-17 respectively. However there was delay in publication of the quarterly results and submission of LRR with the Stock Exchange on account of changes in the accounting procedures and implementation of IND AS on the listed companies.
2. The Company has not adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee.

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3. The Company has fulfilled all the mandatory requirements as prescribed in Annexure XII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

6. Means of Communication

a. Quarterly Results:

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

B Newspapers wherein results normally published:

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

7. General shareholder information

Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : 29th Saturday, September, 2018 Time : 01:00 P. M Venue : E-292, Sarita Vihar, New Delhi-110044
Financial Year	2017-18
Record Date	22 nd September 2018
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

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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

c) Shareholding as on March 31, 2018:

● **Distribution of equity shareholding as on March 31, 2018:**

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, 2018:**

Sl. No	Category	Number of equity	Percentage
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		shares held	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

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

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

12. Plant locations:

The Company's plant Located at:

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

13. Address for correspondence

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

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

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

conduct, as applicable to them for the Financial Year ended 31st March, 2018.

Date:30/05/2018
Place: New Delhi

By the order of the board
For KCL Limited

(Chander Kala Khemka)Chairperson
& Director
DIN - 00103355

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Annexure-V

ANNUAL REPORT ON CSR ACTIVITIES

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.

The composition of the CSR committee:

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

Average net profit of the company for last three financial years for the purpose of computation of CSR: 108400229 Cr.

Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs 21,68,004.58/-

Details of CSR spent during the financial year:

Total amount to be spent for the financial year: **Rs 21,68,004.58/-**

Amount unspent:

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

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

During the financial year 2017-18, the Company worked on conceptualizing and developing its CSR programme as per the guidelines prescribed in CSR rules under the Companies Act 2013. In this period, long-term CSR projects will be initiated keeping in mind the key focus areas of education, employability and entrepreneurship amongst the identified geographies of local and remote areas.

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

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.

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

(Shyam Sunder Khemka)
Managing Director

(Rajeev Khemka)
Chairman, CSR Committee

Manner in which the amount spent during the financial year is detailed below :

Sl.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	Financial assistance for educational help to poor students in remote, rural areas, providing free learning material	Promoting Education Schedule VII(ii) Promoting	69 th KM Stone, Vil, Patti Kalyan, G.T Road, Samalkha, Panipat	15 lacs/-	Direct Expenditure	15 lacs	Direct
2	Financial Assistance for running Charitable Society	Promoting Education by conducting seminar	Bata Chock Faridabad	1,27,000/-	Direct Expenditure	1,27,000/-	Direct
3	Financial Assistance for Resident Welfare Association (Regd.)	Promoting Healthcare Schedule & Education	Community Centre, Sector-14, Faridabad	30,000/-	Direct Expenditure	30,000/-	Direct
4	Financial Assistance for Charitable Trust	Charitable Activities	Faridabad	12 lacs	Direct expenditure	12 lacs	Direct

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Annexure-vi

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development:

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

b) Opportunities and threats:

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

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

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

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

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

c) Segment wise Performance:

Company operations are focused in two primary Business Segments;

1. Packaging Products: Engaged in manufacturing of Corrugated boxes, Duplex boards & Printed Cartons situated at different locations.

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

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

d) Risk and Concerns:

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

e) Future Outlook:

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

f) Internal control systems and their adequacy:

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

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

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

g) Human resources/ industrial relations and Employee Base:

The company, with a total employee strength of 550 as of year ended 2017-18, 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

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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, 2018 are presented in the Financial statements, which have been prepared in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India, and in compliance with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

i) Cautionary Statements

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

j) Acknowledgement

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



ROHIT BAID & Co.
Chartered Accountant

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KCL LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **KCL LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Profit and Loss Statement (including other comprehensive Income), the Cash Flow Statement and the statement of change in equity for the year then ended and a summary of significant accounting policies and other explanatory information.(hereinafter referred to as "Ind AS Financial statements")

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards(Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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 the Ind AS of the financial position of the company as at 31st March 2018 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note No.38.5, 38.6 & 38.7 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. 0331122N)

RoHit



CA ROHIT BAID
Proprietor
Membership No. 535947

Place: Faridabad
Date: 30.05.2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCL LIMITED

(Referred to in paragraph 1 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 2018, we report that:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are holding the name of the Company.
- ii. We have been explained by the management that the inventory have been physically verified at reasonable intervals during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. The Company has granted unsecured loans, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) *On the basis of information & explanations given to us and based on our verification, we are of the opinion that the terms and conditions of granting of loans are prejudicial to the company's interest on account of granting such loans as interest free to the parties covered under section 189 of the Companies Act, 2013, having outstanding balance of Rs. 961.90 Lakhs as at 31.03.2018.*
 - (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 31.03.2018 an amount of Rs.961.90 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 2018 *except income tax demand of Rs.3,24,051/- related to A.Y. 2009-10 to A.Y. 2013-14.*

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

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

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks. The Company has not obtained any loans from debenture holders, financial institution and government.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management



- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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.
- xvii. 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. 0331122N)



Rohit

CA ROHIT BAID
Proprietor
Membership No. 535947

Place: Faridabad
Date: 30.05.2018

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 2(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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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. 0331122N)

Rohit

CA ROHIT BAID
Proprietor
Membership No. 535947

Place: Faridabad
Date: 30.05.2018



KCL LIMITED

CIN-L74899DL1983PLC068008

Balance Sheet as at 31st March 2018

Amount in Rs

Particulars	Note No.	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	3	881,886,624	879,767,302	436,101,964
Capital work-in-progress	3	199,079,759	114,061,182	105,019,561
Intangible assets	3	1,140,724	1,595,534	4,330,942
Financial Assets				
i Investments	4	5,578,355	5,711,385	5,612,010
ii Other financial assets	5	8,683,043	9,518,007	5,532,055
Deferred Tax Assets (net)	6	-	-	15,520,718
Other non-current assets	7	19,941,448	36,967,424	14,872,735
Total Non-Current Assets		1,116,309,953	1,047,620,834	586,989,985
Current Assets				
Inventories	8	217,933,340	94,926,431.00	91,283,816
Financial Assets				
i Trade receivables	9	338,319,467	335,475,771	337,829,956
ii Cash and cash equivalents	10	2,251,867	2,952,933	29,148,336
iii Bank balances other than (ii) above	11	375,514	16,847,576	5,783,108
iv Loans	12	102,617,849	101,236,464	102,774,339
Current Tax Assets (Net)	13	653,462	-	-
Other current assets	14	85,247,815	80,996,686	35,380,033
Total Current Assets		747,399,314	632,435,861	602,199,588
Total Assets		1,863,709,267	1,680,056,695	1,189,189,573
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	15	30,000,850	30,000,850	30,000,850
Other Equity	16	822,686,501	786,893,025	669,638,840
Total Equity		852,687,351	816,893,875	699,639,690
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	17	364,702,099	361,074,447	76,610,295
Provisions	18	1,892,424	4,502,067	5,940,688
Deferred Tax Liabilities (Net)	19	16,073,300	9,645,101	-
Other Non-Current Liabilities	20	18,271,110	21,259,075	-
Total Non-Current Liabilities		400,938,933	396,480,690	82,550,983
Current Liabilities				
Financial Liabilities				
i Borrowings	21	107,940,907	117,851,207	84,153,530
ii Trade Payables	22	358,439,033	204,109,294	242,248,931
iii Other financial liabilities	23	139,796,659	121,493,668	76,245,598
Other Current Liabilities	24	3,619,488	12,160,705	1,127,885
Provisions	25	286,896	615,000	-
Current Tax Liabilities (Net)	26	-	10,452,256	3,222,956
Total Current Liabilities		610,082,983	466,682,130	406,998,900
Total Liabilities		1,011,021,916	863,162,820	489,549,883
Total Equity and Liabilities		1,863,709,267	1,680,056,695	1,189,189,573

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 and on behalf of the Board

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

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

RAJEEV KHEMKA
(Director)
DIN No 00103260

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2018



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, 2018

Amount in Rs

Particulars	Note No.	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
INCOME			
Revenue from Operations	27	2,552,740,135	2,305,161,426
Less : GST Recovered		218,090,781	-
		<u>2,334,649,354</u>	<u>2,305,161,426</u>
Other Income	28	4,310,540	1,288,479
Total Revenue		<u>2,338,959,894</u>	<u>2,306,449,905</u>
EXPENSES			
(a) Cost of Materials Consumed	29	1,516,742,183	1,443,047,010
(b) Changes in Inventories of Finished Goods & Work-In-Progress	30	(47,680,031)	5,410,842
(c) Excise Duty		34,448,935	131,617,799
(d) Employee Benefits Expense	31	219,657,653	155,866,377
(e) Finance Costs	32	43,578,700	14,733,859
(f) Depreciation and Amortization Expenses	33	137,689,185	77,502,186
(g) Other Expenses	34	381,434,826	335,668,266
Total Expenses		<u>2,285,871,451</u>	<u>2,163,846,339</u>
Profit before tax		<u>53,088,443</u>	<u>142,603,566</u>
Tax expense:			
Current Tax		10,670,000	31,600,000
Mat Credit Entitlement		-	(31,600,000)
Income Tax related to earlier years		63,738	282,936
Deferred Tax Adjustment		6,428,199	25,165,820
Total Tax Expenses		<u>17,161,937</u>	<u>25,448,756</u>
Profit for the year		<u>35,926,506</u>	<u>117,154,810</u>
Other Comprehensive Income/(Expense)			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of investment at fair value		(133,030)	99,375
(ii) Remeasurement of net defined benefit plans		-	-
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>35,793,476</u>	<u>117,254,185</u>
Earnings per Equity Share of face value of Rs.10/- each			
Basic		11.93	39.08
Diluted		11.93	39.08

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 and on behalf of the Board of Directors

For ROHIT BAID & CO.

(CHARTERED ACCOUNTANTS)

FRN No.031122N

SHYAM SUNDER KHEMKA

(Chairman Cum Managing Director)

DIN No 00103387

RAJEEV KHEMKA

(Director)

DIN No 00103260

SANJEEV KHEMKA

(Director)

DIN No 00103295

ASHISH KHEMKA

(Director)

DIN No 00103321

AMIT AGGARWAL

(Company Secretary)

Sd/-

(CA ROHIT BAID)

PROPRIETOR

M.NO.535947

Place : Faridabad

Date: 30-05-2018



KCL LIMITED

CIN-L74899DL1983PLC068008

Cash Flow Statement for the year 2017-18

Particulars	Amount in Rs.	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Cash Flow from Operating Activities		
Net Profit before Tax	53,088,443	142,603,566
<u>Add</u>		
loss on sales of fixed assets	-	258,206
Depreciation and Amortisation	137,689,185	77,502,186
Provision for Gratuity & Leave Encashment	1,263,245	(1,438,621)
Sundry Balances Written off	259,069	209,128
Provision for CSR Expenses	-	615,000
Finance Costs	43,578,700	14,733,859
<u>less</u>		
Profit on Sale of Assets	(402,428)	-
Sundry Balances Written off	(730,267)	-
Provision written off no longer required	(2,725,977)	-
Interest Income	(308,629)	(918,275)
Operating Profit before Working Capital changes	231,711,341	233,565,049
<u>Changes in Working Capital:</u>		
<i>Adjustments for (increase) / decrease in Operating Assets:</i>		
Inventories	(123,006,909)	(3,642,615)
Trade Receivables	(3,102,765)	2,145,057
Loans, other financial assets and other assets	(4,797,551)	(16,464,731)
Other Non Current Assets		
<i>Adjustments for increase / (decrease) in Operating Liabilities:</i>		
Trade Payables	155,060,005	(38,139,637)
Other financial liabilities, other liabilities and provisions	(11,891,562)	18,839,549
Other Current Liabilities		
Cash generated from Operations	243,972,559	196,302,672
Interest Paid		
Income Tax Paid (Net of Refunds)	(21,839,456)	(24,653,636)
Net Cash Flow from Operating Activities (A)	222,133,103	171,649,036
B. Cash Flow from Investing Activities		
Purchases of Property, Plant and Equipment & Intangible Assets (including Capital Advances)	(210,458,026)	(529,670,868)
Increase in Investment		
Increase/decrease in Long Term Capital Advances		
Proceeds from Sale of Fixed Assets	526,193	1,103,311
Interest Received creditor for capax	308,629	918,275
Net Cash Flow from / (used in) Investing Activities (B)	(209,623,204)	(527,649,282)



Particulars	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	23,805,973	321,905,493
Net increase / (decrease) in Working Capital Borrowings	(9,910,300)	33,697,677
Interest Paid	(43,578,700)	(14,733,859)
Net Cash Flow from / (used in) Financing Activities (C)	(29,683,027)	340,869,311
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(17,173,128)	(15,130,935)
Cash and Cash Equivalents at the beginning of the year	19,800,509	34,931,444
Cash and Cash Equivalents at the end of the year	2,627,381	19,800,509
Cash and Cash Equivalent consists of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amount as per note no.10 & 11.		
Cash and Cash Equivalents at the end of the year		
* Comprises:		
(a) Cash on hand	447,725	682,368
(b) Balances with Banks		
(i) In Current Accounts	1,857,285	2,397,603
(ii) In Fixed Deposits	55,737	-
(iii) In Margin Money Accounts	266,634	16,720,538
	2,627,381	19,800,509

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

Roहित
Sd/-
(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2018



For and on behalf of the Board

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

Sanjeev Khemka
SANJEEV KHEMKA
(Director)
DIN No 00103295

Rajeev Khemka
RAJEEV KHEMKA
(Director)
DIN No 00103260

ASHISH KHEMKA
(Director)
DIN No 00103321

Amrit Aggarwal
AMRIT AGGARWAL
(Company Secretary)

KCL LIMITED

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

	No. of Shares	Amount in Rs
As at 1st April, 2016	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2017	3,000,085	30,000,850
Changes in equity share capital during the year	-	-
As at 31st March, 2018	3,000,085	30,000,850

B. Other Equity

Amount in Rs

Particulars	Reserves and Surplus				Total
	Capital Reserve	Security Premium Account	General Reserve	Retained Earnings & Other Comprehensive Income	
As at 1st April, 2016	10,713,772	24,901,400	590,324,176	43,699,492	669,638,840
Profits for the year	-	-	-	117,154,810	117,154,810
Amount transferred to General Reserve	-	-	60,000,000	(60,000,000)	-
Other comprehensive income for the year	-	-	-	99,375	99,375
Total comprehensive income for the year	-	-	-	117,254,185	117,254,185
As at 31st March, 2017	10,713,772	24,901,400	650,324,176	100,953,677	786,893,025
Profits for the year	-	-	-	35,926,506	35,926,506
Amount transferred to General Reserve	-	-	20,000,000	(20,000,000)	-
Other comprehensive income for the year	-	-	-	(133,030)	(133,030)
Total comprehensive income for the year	-	-	-	35,793,476	35,793,476
As at 31st March, 2018	10,713,772	24,901,400	670,324,176	116,747,153	822,686,501

As per our report of even date attached

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

RoHit

(CA ROHIT BAID)
PROPRIETOR
M.NO.535947
Place : Faridabad
Date: 30-05-2018



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

Rajeev Khemka
RAJEEV KHEMKA
(Director)
DIN No 00103260

Sanjeev Khemka
SANJEEV KHEMKA
(Director)
DIN No 00103295

Ashish Khemka
ASHISH KHEMKA/
(Director)
DIN No 00103321

Amit Aggarwal
AMIT AGGARWAL
(Company Secretary)

KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

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.

Compliance with Ind AS

These financial statements for the year ended 31st March, 2018 are the first financials with the comparatives, the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

Historical Cost Convention

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

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

2.2 Use of Estimates

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

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

2.3 Classification of Assets and Liabilities

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

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



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

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

2.4 Operating Cycle

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

2.5 Inventories

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

2.6 Property, Plant and Equipment

Tangible Assets

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

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

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

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

Freehold land is not depreciated.

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

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

Intangible Assets

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

Computer software - 3 years

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



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Notes on Financial Statements for the Year ended 31st March, 2018

2.7 Borrowing Cost

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

2.8 Impairment of non-financial assets

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

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

2.9 Revenue Recognition

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

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

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

2.10 Foreign Exchange Transaction

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

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

Non-monetary items are carried at cost.

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

2.11 Excise Duty :

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

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

2.12 Government Grants

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



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Notes on Financial Statements for the Year ended 31st March, 2018

2.13 Employees Benefits :-

Short Term Employee Benefits:

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

Defined Benefit Plan

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

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

Defined Contribution Plan

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

2.14 Cash & Cash Equivalents

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

2.15 Cash Flow Statement

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

2.16 Tax Expenses

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

Current Tax:

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

Minimum Alternate Tax (MAT) Credit:

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



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Notes on Financial Statements for the Year ended 31st March, 2018

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

2.17 Provision and Contingent Liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

2.18 Financial Instruments

a). Financial Assets

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

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

Investments in unquoted equity shares of related parties

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

Other investments in quoted equity share

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

Impairment of financial assets

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

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

b). Financial Liabilities

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

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

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



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Notes on Financial Statements for the Year ended 31st March, 2018

2.19 Earnings per Share

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

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

2.20 Miscellaneous Expenditure

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

2.21 Derivative financial instruments

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



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Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs.

Note 3 Property, Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Sales /or Adjustment	As at 31.03.2018	As at 31.03.2017	For the year	Sales / or Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land	43,255,594	13,382,654	-	56,638,248	-	-	-	-	56,638,248	43,255,594
Lease hold Land	95,562,314	-	-	95,562,314	-	-	-	-	95,562,314	95,562,314
Building	357,485,689	47,330,527	-	404,816,216	114,598,361	22,805,123	-	137,403,484	267,412,732	242,887,328
Tubewell	878,233	-	-	878,233	681,702	41,687	-	723,389	154,844	196,531
Plant & Machinery	914,522,484	48,989,521	2,389,200	961,122,805	493,754,438	86,228,698	2,292,150	577,690,986	383,431,819	420,768,046
Electric Installations	30,625,375	3,570,569	-	34,195,944	12,975,350	4,916,789	-	17,892,139	16,303,805	17,550,025
Moulds & Dies	445,195	-	-	445,195	299,592	27,595	-	327,187	118,008	145,603
Testing & Checking	6,112,025	1,105,171	-	7,217,196	4,059,556	653,854	-	4,713,410	2,503,786	2,052,469
Fire Fighting Equipment	2,612,076	3,267,643	-	5,879,719	1,031,246	485,554	-	1,516,800	4,362,919	1,580,830
Furniture & Fixture	13,373,333	7,429,147	-	20,802,480	10,087,595	1,582,212	-	11,669,807	9,132,673	3,285,738
Computer	16,005,455	1,452,069	-	17,457,524	13,587,284	1,669,952	-	15,257,236	2,200,288	2,418,171
Office Equipments	6,544,963	486,694	-	7,031,657	5,042,533	721,286	-	5,763,819	1,267,838	1,502,430
Intercom Systems	3,577,836	215,195	-	3,793,031	2,735,028	394,102	-	3,129,130	663,901	842,808
Air Conditioner	7,287,845	876,316	-	8,164,161	4,318,908	929,289	-	5,248,197	2,915,964	2,968,937
Vehicle	59,443,642	2,021,876	-	61,465,518	31,234,476	9,206,755	-	40,441,231	21,024,287	28,209,166
Trucks & Tractors	50,991,830	7,889,035	-	58,076,727	35,178,922	6,007,618	777,423	40,409,117	17,667,610	15,812,908
Material Handling Equipments	1,528,013	210,855	-	1,738,868	899,609	313,671	-	1,213,280	525,588	628,404
Temporary Construction	43,728	-	-	43,728	43,728	-	-	43,728	-	-
Total	1,610,295,630	138,227,272	3,193,338	1,745,329,564	730,528,328	135,984,185	3,069,573	863,442,940	881,886,624	879,767,302
Previous year	1,096,033,783	519,793,633	5,531,786	1,610,295,630	659,931,819	74,766,778	4,170,269	730,528,328	879,767,302	436,101,964



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Sales / or Adjustment	As at 31.03.2018	As at 31.03.2017	For the year	Sales / or Adjustment	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Intangible Assets										
Computer Software	4,494,256	1,250,188	-	5,744,444	2,898,722	1,704,998	-	4,603,720	1,140,724	1,595,534
Total	4,494,256	1,250,188	-	5,744,444	2,898,722	1,704,998	-	4,603,720	1,140,724	1,595,534
Previous year	4,494,256	-	-	4,494,256	163,314	2,735,408	-	2,898,722	1,595,534	4,330,942
Capital Work in Progress										
Plant & Machinery	88,636,332	86,017,591	784,894	173,869,029	-	-	-	-	173,869,029	88,636,332
Land & Building	25,424,850	-	214,120	25,210,730	-	-	-	-	25,210,730	25,424,850
Total	114,061,182	86,017,591	999,014	199,079,759	-	-	-	-	199,079,759	114,061,182
Previous year	105,019,561	88,605,200	79,563,579	114,061,182	-	-	-	-	114,061,182	105,019,561



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

4 Investments

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
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	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	4,900,000
Investments measured at Fair Value Through Other Comprehensive Income)			
Quoted Equity Shares			
5300 Equity Shares of M/s Allahabad Bank of Rs.10/- each fully paid up	256,255	389,285	289,910
Total	5,578,355	5,711,385	5,612,010

5 Other Financial Assets

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Security Deposits with government authorities & others	8,683,043	9,518,007	5,532,055
Total	8,683,043	9,518,007	5,532,055

6 Deferred Tax Assets (Net)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Deferred Tax Assets			
Provision for Retirement Benefits	-	-	1,964,169
Fixed Assets	-	-	12,194,200
Others	-	-	1,362,349
Total Deferred Tax Assets	-	-	15,520,718



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

7 Other non-current assets

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Advance for Capital Goods (A)	19,230,177	36,279,575	13,367,640
Preoperative Expenses (subject to allocation)			
Brought Forward	687,849	1,505,095	38,382
Addition during the year	23,422	709,939	1,466,713
Less : Transferred during the year	-	1,527,185	-
Preoperative Expenses (B)	711,271	687,849	1,505,095
Total (A + B)	19,941,448	36,967,424	14,872,735

8 Inventories

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Raw materials	130,703,980	58,051,871	47,914,829
Work-in-Progress	42,376,212	3,790,869	3,008,312
Finished Goods	32,602,786	20,629,552	27,557,918
Scrap	110,000	875,186	140,219
Stores and Spares	12,140,362	11,578,953	12,583,672
Goods In Transit	-	-	78,866
Total	217,933,340	94,926,431	91,283,816

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

9 Trade Receivables

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
- Unsecured, Considered Good	338,319,467	335,475,771	337,829,956
- Doubtful	-	-	-
Total	338,319,467	335,475,771	337,829,956

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



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

10 Cash and cash equivalents

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Cash and Cash Equivalents			
Cash in hand (as certified by the management)	447,725	682,368	937,295
Balances with Banks			
- In Current Accounts	1,748,405	2,270,565	3,257,068
- Fixed Deposits (with Banks)	55,737	-	24,953,973
Total	2,251,867	2,952,933	29,148,336

11 Bank balance other than cash and cash equivalents

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Other Bank Balances			
- In Margin Money Accounts	266,634	16,720,538	5,767,538
- In Employees Group Gratuity Saving Bank Account	108,880	127,038	15,570
Total	375,514	16,847,576	5,783,108

12 Loans

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Loans to Related Parties			
Unsecured & considered good, unless otherwise stated, as certified by the management			
- Inter Corporate Loans (Refer Note No. 40)	96,190,196	94,889,128	94,268,903
- Others	1,374,468	1,374,468	2,177,985
Loans and Advances to Employees	5,053,185	4,972,868	6,327,451
Total	102,617,849	101,236,464	102,774,339

13 Current Tax Assets (Net)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Current Tax assets (net)	653,462	-	-
Total	653,462	-	-



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Notes on Financial Statements for the Year ended 31st March, 2018

14 Other current assets

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Considered good, unless otherwise stated			
Prepaid Expenses	4,012,391	3,528,245	1,981,514
MAT Credit Entitlement	31,600,000	31,600,000	-
Balance with Government Authorities			
(i) Balance with Central Excise & GST Dept	34,280,156	32,344,840	21,707,549
(ii) VAT Credit Receivable	5,150,365	5,434,943	1,710,633
Others			
(i) Advance to Suppliers & Others	10,014,411	7,449,248	8,831,432
(ii) Company's Deposit (Surcharge of Income Tax)	-	-	6,100
(iii) Other Receivables	190,492	639,410	1,142,805
Total	85,247,815	80,996,686	35,380,033



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Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs

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

15 SHARE CAPITAL	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Equity Share Capital :			
<u>Authorised Share Capital:</u>			
50,00,000 Equity Shares of Rs.10/- each	50000000.00	50000000.00	50000000.00
-5,000,000	<u>50000000.00</u>	<u>50000000.00</u>	<u>50000000.00</u>
<u>Issued, Subscribed and Paid up Capital:</u>			
30,00,085 Equity Shares of Rs.10/- each	30000850.00	30000850.00	30000850.00
(30,00,085) fully paid up			
TOTAL	<u><u>30000850.00</u></u>	<u><u>30000850.00</u></u>	<u><u>30000850.00</u></u>

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

Name of the Shareholder	As at 31-Mar-2018		As at 31-Mar-2017		As at 1-Apr-2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Sh. Shyam Sunder Khemka	526,260	17.54	526,260	17.54	526,260	17.54
Smt. Chandra Kala Khemka	390,200	13.01	390,200	13.01	390,200	13.01
Sh. Rajeev Khemka	246,325	8.21	246,325	8.21	246,325	8.21
Sh. Sanjeev Khemka	264,875	8.83	264,875	8.83	264,875	8.83
Sh. Ashish Khemka	331,350	11.04	331,350	11.04	331,350	11.04
M/s Khemka Leasing Private Limited	484,500	16.15	484,500	16.15	484,500	16.15
M/s Khemka Packaging Private Limited	200,000	6.67	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-2018		As at 31-Mar-2017		As at 1-Apr-2016	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year		3000085		3000085		3000085
Add : Shares issued during the year		0		0		0
Less : Shares cancelled on buy back		0		0		0
Equity Shares at the end of the year		<u>3000085</u>		<u>3000085</u>		<u>3000085</u>

15.3 Terms/ rights attached to equity shares

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

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



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

16 Other Equity

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
(a) Capital Reserve			
Opening Balance	10,713,772	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	10,713,772
(b) Securities Premium Account			
Opening Balance	24,901,400	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	24,901,400
(c) General Reserve			
Opening Balance	650,324,176	590,324,176	530,324,176
Add: Transferred from Surplus in Profit and Loss Statement	20,000,000	60,000,000	60,000,000
Less: Utilisation	-	-	-
Closing Balance	670,324,176	650,324,176	590,324,176
(d) Surplus in Profit and Loss Statement			
Opening Balance	100,617,392	43,462,582	37,535,030
Add: Profit for the year	35,926,506	117,154,810	65,927,552
Less Amount transferred to General Reserve	20,000,000	60,000,000	60,000,000
Closing Balance	116,543,898	100,617,392	43,462,582
(e) Other comprehensive income			
Opening Balance	336,285	236,910	-
Add: Remeasurement of investment at fair value	-133,030	99,375	236,910
Closing Balance	203,255	336,285	236,910
Total	822,686,501	786,893,025	669,638,840

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-2018	As at 31-Mar-2017	As at 1-Apr-2016
Term Loans			
From Banks			
--- Term Loan -HSBC Bank	128,711,786	154,517,041	42,429,811
--- Term Loan -Allahabad Bank	133,882,488	104,098,815	7,632,126
	262,594,274	258,615,856	50,061,937
Vehicle Loans	13,776,083	16,123,233	12,867,266
Unsecured Loans			
From Directors	88,331,742	86,335,358	13,681,092
Total	364,702,099	361,074,447	76,610,295

17.1

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

17.2 Hypothecation of vehicles financed by the banks

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

18 Provisions

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Provision for Employee Benefits			
-Gratuity (funded) {refer note no. 42}	83,203	1,784,415	3,133,260
-Leave Encashment (un-funded) {refer note no. 42}	1,809,221	2,717,652	2,807,428
Total	1,892,424	4,502,067	5,940,688



19 Deferred Tax Liabilities (Net)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Deferred Tax Liabilities			
Fixed Assets	17,914,000	12,410,400	-
Total Deferred Tax Liabilities (A)	17,914,000	12,410,400	-
Deferred Tax Assets			
Provision for Retirement Benefits	720,500	1,558,000	-
Fixed Assets	-	-	-
Others	1,120,200	1,207,299	-
Total Deferred Tax Assets (B)	1,840,700	2,765,299	-
Deferred Tax Assets (Net) (A-B)	16,073,300	9,645,101	-

20 Other Non-Current Liabilities

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Creditors for Capital Goods	18,271,110	21,259,075	-
Total	18,271,110	21,259,075	-

21 Short-Term Borrowings

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Secured Working Capital Loan from Bank *	107,940,907	117,851,207	84,153,530
Total	107,940,907	117,851,207	84,153,530

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



22 Trade Payables

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Micro, Small and Medium Enterprises *	-	-	-
Others	358,439,033	204,109,294	242,248,931
Total	358,439,033	204,109,294	242,248,931

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

23 Other financial liabilities

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Current Maturities of Long Term Debts (Ref. Note No 3.12.1)			
From Banks:			
--- Demand Loan against FDR *	-	-	23,261,353
--- Term Loan -HSBC bank	58,577,464	49,477,384	14,299,972
--- Term Loan Allahabad Bank	37,560,000	25,560,000	6,177,700
Total	96,137,464	75,037,384	43,739,025
Vehicle Loans	13,176,262	14,098,021	7,955,039
Subtotal	109,313,726	89,135,405	51,694,064
Other Payables			
Liabilities for Expenses & Others	30,482,933	32,358,263	24,551,534
	30,482,933	32,358,263	24,551,534
Total	139,796,659	121,493,668	76,245,598

* Demand Loan against FDR is sanctioned by Allahabad Bank, secured by way of FDR pledged with the Bank of Rs.2,49,53,973/- and the said amount has been repaid in full on dated 02.04.2016.

24 Other Current Liabilities

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Advances from Customers	2,244,183	10,086,543	911,477
Statutory Dues	1,375,305	2,074,162	216,408
Total	3,619,488	12,160,705	1,127,885



25 Provisions

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Provision for Corporate Social Responsibility	-	615,000	-
Provision for Employee Benefits -Leave Encashment (un-funded) (Refer note no. 42)	286,896	-	-
Total	286,896	615,000	-

26 Current Tax Liabilities (Net)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Provision for Income Tax (net of advance tax)	-	10,452,256	3,222,956
Total	-	10,452,256	3,222,956



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs

27 Revenue from Operations

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Sale of Products	2,708,982,506	2,560,502,215
Less -Internal Consumption	133,504,775	176,295,188
Less - Sales Tax Recovered on Sales	22,737,596	79,045,601
Total	2,552,740,135	2,305,161,426
Sale of Products comprises of	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Corrugated Boards & Boxes	1,866,563,731	1,817,606,092
Duplex Board Cartons	558,169,887	565,968,727
Food Products	154,749,110	67,920,484
Milk /Dairy Products	59,998,058	57,665,632
Scrap	69,501,720	51,341,280
Total - Sale of Products	2,708,982,506	2,560,502,215

28 Other-Income

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Interest Received	308,629	918,275
Sundry Balances Written back	730,267	-
Rent Received	-	300,000
Insurance Claim Received	143,239	66,704
Provision no longer required written back	2,725,977	-
Profit on Sale of Property, Plant and Equipment	402,428	-
Misc receipt	-	3,500
Total	4,310,540	1,288,479



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs.

29 Cost of Raw Materials Consumed

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Opening Stock	58,051,871	49,261,819
Add: Purchases	1,707,230,348	1,611,026,798
less Internal Consumption	1,765,282,219	1,660,288,617
	115,722,696	159,189,736
Less: Closing Stock	1,649,559,523	1,501,098,881
	132,817,340	58,051,871
Cost of Material Consumed	1,516,742,183	1,443,047,010
Material Consumed comprises:		
1. Kraft Paper	1,068,361,840	1,009,399,135
2. Duplex Board	230,925,751	236,721,537
3. Corrugated Board & Sheet	137,251,654	226,230,573
4. Lamination Film	9,518,294	7,590,922
5. Flour Wheat & Maize	16,428,787	14,683,246
6. Oils & Fats	2,629,313	1,815,667
7. Chemicals, Flavours, Sugar & Salts	11,372,808	3,117,222
8. Skimmed Milk Powder	4,001	33,519
9. Packaging Materials(used in packing of food products)	20,595,286	8,232,465
10. Dextros Monohydrate	37,449,749	2,278,566
11.Raw Milk	22,034,176	22,522,853
12.Others	75,893,220	69,611,041
	1,632,464,879	1,602,236,746
Less Internal Consumption	115,722,696	159,189,736
Total	1,516,742,183	1,443,047,010



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs

34 Other Expenses

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Manufacturing Expenses		
Consumption of Stores and Spare Parts	57,708,433	56,394,044
Consumption of Block Printing & Design	23,152,146	21,477,748
Power and Fuel	72,586,756	59,555,148
Factory Rent including Lease Rentals	4,291,038	3,780,699
House Keeping Expenses	1,876,346	2,033,424
Carriage Inward Expenses	1,907,733	1,649,260
Job Work Expenses	1,096,899	371,927
Repairs and Maintenance - Machinery	24,786,946	23,886,905
Repairs and Maintenance - Others	16,900,362	14,447,169
Sub Total	204,306,659	183,596,324
Administration Expenses		
Rent	4,218,486	2,488,056
Insurance	6,388,243	4,731,470
Rates and Taxes	1,741,100	1,459,833
Travelling Expenses	18,542,657	14,182,949
Conveyance Expenses	2,984,652	2,280,642
Printing & Stationery	1,706,082	1,562,950
Postage, Telegram & Telephone	2,714,643	3,355,219
Legal and Professional	2,112,561	2,369,180
Retainership Charges	11,251,886	9,917,045
Security Service Charges	6,170,170	4,405,191
Membership & Subscription	652,126	509,254
Car Maintenance & Vehical Upkeep	4,084,126	2,481,610
Electricity & Water Charges	1,668,555	1,014,053
General Expenses	2,284,411	1,283,962
Employees Recruitment & Training Expenses	9,844,741	7,142,524
Charity & Donation	233,100	471,300
ISO Certification Charges	772,777	363,400
Sundry Balances Written off	259,069	209,128
Software charges	134,512	96,338
Bad Debts Written off	211,121	372,043
Prior Period Expenses	291,443	1,094
Listing Fees	40,250	603,750
Filing Fees	20,396	28,933
Expenses towards CSR Activities (Refer Note No 34.1)	2,822,296	1,855,000
Loss on theft	192,329	258,206
Interest on late fee	221,457	-
Bank Charges	1,736,548	2,024,760
Sub Total	83,299,737	65,467,890



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Selling Expenses		
Consumption of Packing Materials	11,602,044	15,307,003
Freight Outward (Net)	64,832,137	55,816,363
Sales Promotion Expenses	10,576,185	5,206,157
Discount Allowed	4,052,908	3,545,776
Advertisement & Publicity	428,062	671,616
Sales Conference	-	13,800
Damages & Claims	1,218,351	5,150,836
Commission on Consignment Sales	-	2,005
Product & Sample Distribution Exp	608,743	410,496
Sub Total	93,318,430	86,124,052
Payments to the Auditors		
As Auditors - Statutory Audit	330,000	300,000
For Tax Audit	60,000	60,000
For Internal Audit	120,000	120,000
Sub Total	510,000	480,000
Total	381,434,826	335,668,266

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-2018	Year ended 31-Mar-2017
A. Gross amount required to be spent by the company during the year	2168062	1855000
i) Construction/acquisition of assets		
ii) on purpose other than (i) above		
B. Amount spent during the year		
i) Amount spent	3437296	1240000
i) Amount Yet to be spent	-----	615000
Total	3437296	1855000

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



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs.

Note 35 Earning Per Share

	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Earnings Per Share		
i) Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (in Rs.)	35,793,476	117,254,185
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.)	11.93	39.08
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-2018	As at 31-Mar-2017
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	353,000
3) Letter of Credits	-	33,148,887
4) Sales Tax matters under appeal	1,314,445	1,314,445
	8,904,877	41,810,764
Commitments		
- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	116,248,477	56,617,966
- Export Obligation against Import under EPCG Licence	481,714,685	481,714,685
	597,963,162	538,332,651



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Note -37

Amount in Rs.

37.1	Details of Consumption of Imported and Indigenous Items	Year Ended on 31.03.2018		Year Ended on 31.03.2017	
		Percentage	Value	Percentage	Value
	Raw Materials				
	a) Imported	1.62	24587128	7.68	110792567
	b) Indigenous	98.38	1492155055	92.32	1332254444
		100.00	1516742183	100.00	1443047011
	Stores and spares				
	a) Imported	0	0	0	0
	b) Indigenous	100	57708433.25	100	56,394,044
		100	57708433.25	100	56394044

37.2	Value of Imports calculated on CIF basis	Year Ended on 31.03.2018		Year Ended on 31.03.2017	
	Raw Materials	75507591		96052991.46	
	Components- Spare Parts	4677055		1932904.76	
	Capital Goods	33554341		251180871	

37.3	Earnings in Foreign Exchange	Year Ended on 31.03.2018		Year Ended on 31.03.2017	
	Export of Goods calculated on FOB basis	Nil		Nil	

37.4	Expenditure in Foreign Currency	Year Ended on 31.03.2018		Year Ended on 31.03.2017	
	Travelling Expenses & other matters	12202820		6879903	



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

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, Udham Singh Nagar, Khata No 0057, Khasara No 315/3.4.59 acre area. Due to refusal for the registration of the the said property by the seller, the Company has filed a suit against him and the matter is sub judiced with the courts.
- b) The Company has received possession certificate on dated 20.10.2015 of Industrial Plot No. 254-255, Industrjal Estate Sector, Roz ka Meo, Faridabad, measuring area of 8100 sq. mtr and full payment thereof has been debited to Capital Work In Progress but the conveyance deed is yet to be executed.
- 38.2 The Sricity Project of the company has come into operation in the month of March 2017 for
- 38.3 Sundry debit and credit balances appearing in the Balance Sheet are subject to confirmation of respective parties and consequent reconciliation thereof, adjustment of the same, if any, would be accounted for as and when ascertained.
- 38.4 In the opinion of the Board of Directors, the Current Assets, Loans and Advances are of the value as stated if realised in ordinary course of business.
- 38.5 Detail of pending litigations are as under:
- Sales tax demand of F.Y. 2010-11 of Unit situated in Himachal Pradesh amounting to Rs.13,14,445/- has not been deposited on account of dispute lying pending for disposal with Additional Excise and Taxation Commissioner-cum-Appellate Authority, Himachal Pradesh.
- 38.6 Sales Tax assessment of units of the company situated in different states have been completed up to Financial Year 2014-15 except units situated in the state of Haryana, the assessment of which has been completed upto the F.Y. 2012-13
- 38.7 The Income Tax Assesement u/s 143(3) of the Income Tax Act, 1961 has been completed up to A.Y. 2014-15 and income tax demand of Rs.3,24,051/- is outstanding as on date pertains to A.Y. 2009-10 to A.Y. 2013-14.
- 38.8 The company does not have any pending litigations as on date.
- 38.9 During the year, the Company has not entered into any long-term contracts including derivative contracts.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

39. Derivatives:-

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

Buy or Sell	As on 31.03.2018		As on 31.03.2017		Foreign Currency
	(in Rs.)	Amount in Foreign Currency	(in Rs.)	Amount in Foreign Currency	
Buy	0	0	-	-	NA
Sell	0	0	-	-	NA

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

	As on 31.03.2018		As on 31.03.2017		Foreign Currency
	(in Rs.)	Amount in Foreign Currency	(in Rs.)	Amount in Foreign Currency	
a) Receivables:-	0	0	0	0	--
b) Payables:-					
Trade Payables	452347	559658	16451357.7	248172.54	USD+RMB
Foreign Letter of Credit	0	0	27620127.6	416656.02	USD



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

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)

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

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

Ginni Packaging (P) Limited	KCL Milk Products India Private Limited	Food & Healthcare Specialities
Khemka Packaging (P) Limited		(Prop. Sh Shyam Sunder Khemka)
Khemka Leasing (P) Limited		

Particulars	Key Management Personnel and their Relatives		Othe Parties which significantly influence / are influenced by the Company (either individually or with others)	
	31/03/2018 Amount (Rs.)	31/03/2017 Amount (Rs.)	31/03/2018 Amount (Rs.)	31/03/2017 Amount (Rs.)
	b) Rent Paid	7380000	4740000	1200000
c) Remuneration Paid	23949150	23113200	---	---
f) Inter-Corporate Deposit paid/given	---	---	---	---
g) Unsecured Loans taken/received	6696384	86335358	---	179555
h) Unsecured Loans repaid	4700000	---	---	---
i) Other Payment	---	---	1301061	11293342
j) Balance outstanding at the year end				
- Receivables	---	---	96190189	94889128
- Payables	88331742	86335358	---	---



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs.

Note 41

Segment Information

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

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

Primary Business Segments

Particulars	Period		Packaging Products	Food Products	Corporate & Un-allocable	Total
	For the Year ended	31-Mar-18 31-Mar-17				
Revenue						
Gross Turnover	For the Year ended	31-Mar-18 31-Mar-17	2,494,235,338 2,434,916,099	214,747,168 125,586,116		2,708,982,506 2,560,502,215
Inter Segment Turnover	For the Year ended	31-Mar-18 31-Mar-17	133,504,775 176,295,188	- -		133,504,775 176,295,188
External Turnover	For the Year ended	31-Mar-18 31-Mar-17	2,360,730,563 2,258,620,911	214,747,168 125,586,116		2,575,477,731 2,384,207,027
Less: Sales Tax	For the Year ended	31-Mar-18 31-Mar-17	20,628,335 75,332,859	2,109,261 3,712,742		22,737,596 79,045,601
Less: GST RECOVERED	For the Year ended	31-Mar-18 31-Mar-17	203,903,879 -	14,186,902 -		218,090,781 -
Net Turnover	For the Year ended	31-Mar-18 31-Mar-17	2,136,198,349 2,183,288,053	198,451,005 121,873,374		2,334,649,354 2,305,161,426

Result

Segment Result						
	For the Year ended	31-Mar-18 31-Mar-17				
Operating Profit	For the Year ended	31-Mar-18 31-Mar-17				92,356,603 142,603,566
Interest Expenses	For the Year ended	31-Mar-18 31-Mar-17				43,578,700 14,733,859
Other Income	For the Year ended	31-Mar-18 31-Mar-17				4,310,540 1,288,479
Income Tax	For the Year ended	31-Mar-18 31-Mar-17				17,161,937 25,448,756
Profit From ordinary activities	For the Year ended	31-Mar-18 31-Mar-17				35,926,506 117,154,810
Add/Less:OCI	For the Year ended	31-Mar-18 31-Mar-17				-133,030.00 99,375
Net Profit after Tax	For the Year ended	31-Mar-18 31-Mar-17				35,793,476 117,254,185



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Notes on Financial Statements for the Year ended 31st March, 2018

Amount in Rs.

Other Information

Segment Assets

Property, Plant and Equipment	For the Year ended	31-Mar-18	714,250,113	134,730,999	32,905,512	881,886,624
		31-Mar-17	697,504,999	154,340,765	27,921,538	879,767,302
Intangible assets	For the Year ended	31-Mar-18	1140724	0	0	1140724
		31-Mar-17	1595534	0	0	1595534
Capital Work In Progress			171,889,897	1,979,132	25,210,730	199,079,759
			86,871,320	1,979,132	25,210,730	114,061,182
Financial Assets						
Investments	For the Year ended	31-Mar-18			5578355	5,578,355
		31-Mar-17			5711385	5,711,385
Other Financial Assets	For the Year ended	31-Mar-18	7215590	1453440	14013	8,683,043
		31-Mar-17	8049554	1454440	14013	9,518,007
Other Non Current Assets	For the Year ended	31-Mar-18	19,230,177		711,271	19,941,448
		31-Mar-17	32,678,266	35,000	4,254,158	36,967,424
Current Assets, Loans and Advances	For the Year ended	31-Mar-18	581,050,090	35,636,166	130,713,058	747,399,314
		31-Mar-17	447,839,732	55,390,991	129,205,138	632,435,861
Total Segment Assets	For the Year ended	31-Mar-18	1,494,776,591	173,799,737	195,132,939	1,863,709,267
		31-Mar-17	1,274,539,405	213,200,328	192,316,962	1,680,056,695
Total Assets	For the Year ended	31-Mar-18				1,863,709,267
		31-Mar-17				1,680,056,695

Segment Liabilities

Non Current Liabilities	As at	31-Mar-18	274,291,102	22,934,152	103,713,679	400,938,933
		31-Mar-17	257,895,270	33,577,748	105,007,672	396,480,690
Current Liabilities & Provisions	As at	31-Mar-18	588,063,713	31,608,824	-9,589,554	610,082,983
		31-Mar-17	457,018,006	41,393,706	-31,729,582	466,682,130
Total Segment Liabilities	As at	31-Mar-18	862,354,815	54,542,976	94,124,125	1,011,021,916
		31-Mar-17	714,913,276	74,971,454	73,278,090	863,162,820
Total Liabilities	As at	31-Mar-18				1,011,021,916
		31-Mar-17				863,162,820

Capital Employed	As at	31-Mar-18	632,421,776	119,256,761	101,008,814	852,687,351
		31-Mar-17	559,626,129	138,228,874	119,038,872	816,893,875
Capital Expenditure	As at	31-Mar-18				210,458,026
		31-Mar-17				529,670,868
Depreciation	For the Year ended	31-Mar-18	103,394,208	25,450,480	8,844,497	137,689,185
		31-Mar-17	42,928,810	24,902,635	9,670,741	77,502,186
Non - Cash Expenses other than Depreciation	For the Year ended	31-Mar-18				23,422
		31-Mar-17				687,849



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

42 Employee Benefits

a) Defined Contribution Plans

The Company has recognised ₹ 49.33 lacs (PY ₹ 46.51 lacs) as contribution to provident fund in Statement of Profit & Loss.

b) Defined Benefit Plans

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

The following tables summarize the components of the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2018).

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

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

Particulars	Leave encashment	Gratuity
	As at	
	31-Mar-18	31-Mar-18
Present value of the obligation at the end of the year	1,816,635	9,746,513

Net Asset / (Liability) recognized in the Balance Sheet as on 31st March 2018

Particulars	Leave encashment	Gratuity
	As at	
	31-Mar-18	31-Mar-18
Present Value of Defined Benefit Obligation at the end of the year	1,816,635	9,746,513
Fair Value of Plan Assets	-	9,663,310
Net Asset / (Liability) recognized in the Balance Sheet	(1,816,635)	(83,203)

Bifurcation of Obligation at the end 31st March 2018

Particulars	Leave encashment	Gratuity
	As at	
	31-Mar-18	31-Mar-18
Current Liability (Short Term)	248,644	1,668,722
Non Current Liability (Long Term)	1,567,991	8,077,791
Total	1,816,635	9,746,513

The company has not obtained actuarial valuation during the previous financial year. Therefore, previous year figures are not available.



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

43 First-time adoption of Ind AS

The standalone financial statements of KCL Limited for the financial year ended March, 31, 2018 have been prepared in accordance with Ind AS.

Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Optional exemptions availed

a). Deemed cost

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipments and intangible assets as deemed cost as at the transition date.

b). Investments in subsidiaries, joint ventures and associates

The Company has opted para D14 and D15 and accordingly considered the Previous GAAP carrying amount of Investments as deemed cost as at the transition date.

c). Designation of previously recognised financial instruments

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at fair value through other comprehensive income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind-AS. The company has opted to apply this exemption for its investment in equity Investments.

Applicable Mandatory Exceptions

a). Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

- Investment in quoted equity instruments carried at fair value through other comprehensive income (FVOCI);

- Investment in debt instruments carried at FVPL; and

- Impairment of financial assets based on expected credit loss model.

(b) Classification and measurement of financial assets

As required under Ind AS 101, the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Transition to Ind AS - Reconciliations

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date and IGAAP as the previous IGAAP. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in Note 2.1.



KCL LIMITED

43.1 Reconciliations

43.1.1 Reconciliation of Balance Sheet as previously reported under GAAP to Ind AS

Particulars	Note No.	As at 1st April, 2016			As at 31st March, 2017		
		IGAAP	Ind AS adjustments	IND AS	IGAAP	Ind AS adjustments	IND AS
ASSETS							
Non-Current Assets							
Property, Plant and Equipment		436,101,964	-	436,101,964	879,767,302	-	879,767,302
Capital work-in-progress		105,019,561	-	105,019,561	114,061,182	-	114,061,182
Intangible assets		4,330,942	-	4,330,942	1,595,534	-	1,595,534
Financial Assets							
Investments	A	5,375,100	236,910	5,612,010	5,375,100	336,285	5,711,385
Other financial assets	B	5,660,956	(128,901)	5,532,055	9,568,044	(50,037)	9,518,007
Deferred Tax Assets (net)	C	15,516,700	4,018	15,520,718	-	-	-
Other non-current assets		14,872,735	-	14,872,735	36,967,424	-	36,967,424
Total Non-Current Assets		586,877,958	112,027	586,989,985	1,047,334,586	286,248	1,047,620,834
Current Assets							
Inventories		91,283,816	-	91,283,816	94,926,431	-	94,926,431
Financial Assets							
Trade receivables		337,829,956	-	337,829,956	335,475,771	-	335,475,771
Cash and cash equivalents		29,148,336	-	29,148,336	2,952,933	-	2,952,933
Bank balances other than above		5,783,108	-	5,783,108	16,847,576	-	16,847,576
Loans		102,774,339	-	102,774,339	101,236,464	-	101,236,464
Other current assets	D	35,262,954	117,079	35,380,033	80,953,413	43,273	80,996,686
Total Current Assets		602,082,509	117,079	602,199,588	632,392,588	43,273	632,435,861
Total Assets		1,188,960,467	229,106	1,189,189,573	1,679,727,174	329,521	1,680,056,695
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		30,000,850	-	30,000,850	30,000,850	-	30,000,850
Other Equity	E	669,409,734	229,106	669,638,840	786,561,205	331,820	786,893,025
Total Equity		699,410,584	229,106	699,639,690	816,562,055	331,820	816,893,875
LIABILITIES							
Non-Current Liabilities							
Financial Liabilities							
Borrowings		76,610,295	-	76,610,295	361,074,447	-	361,074,447
Provisions		5,940,688	-	5,940,688	4,502,067	-	4,502,067
Deferred Tax Liabilities (Net)		-	-	-	9,647,400	(2,299)	9,645,101
Other Non Current Liabilities		-	-	-	21,259,075	-	21,259,075
Total Non-Current Liabilities		82,550,983	-	82,550,983	396,482,989	(2,299)	396,480,690
Current Liabilities							
Financial Liabilities							
Borrowings		84,153,530	-	84,153,530	117,851,207	-	117,851,207
Trade Payables		242,248,931	-	242,248,931	204,109,294	-	204,109,294
Other financial liabilities		76,245,598	-	76,245,598	121,493,668	-	121,493,668
Other Current Liabilities		1,127,885	-	1,127,885	12,160,705	-	12,160,705
Provisions		-	-	-	615,000	-	615,000
Current Tax Liabilities (Net)		3,222,956	-	3,222,956	10,452,256	-	10,452,256
Total Current Liabilities		406,998,900	-	406,998,900	466,682,130	-	466,682,130
Total Liabilities		489,549,883	-	489,549,883	863,165,119	(2,299)	863,162,820
Total Equity and Liabilities		1,188,960,467	229,106	1,189,189,573	1,679,727,174	329,521	1,680,056,695



KCL LIMITED

43.1.2 Reconciliation statement of Profit and Loss as previously reported under GAAP to Ind AS

Particulars	Note No.	For the year ended 31st March, 2017		
		IGAAP	Ind AS adjustments	IND AS
Continuing Operations				
Income				
Revenue from Operations		2,305,161,426	-	2,305,161,426
Other Income	F	1,209,614	78,865	1,288,479
Total Income		2,306,371,040	78,865	2,306,449,905
Expenses				
Cost of Material Consumed		1,443,047,010	-	1,443,047,010
Change in Inventories of finished goods & stock-in-trade		5,410,842	-	5,410,842
Excise Duty		131,617,799	-	131,617,799
Employee benefits expense		155,866,377	-	155,866,377
Finance Costs		14,733,859	-	14,733,859
Depreciation and amortisation expense		77,502,186	-	77,502,186
Other Expenses	G	335,594,460	73,806	335,668,266
Total		2,163,772,533	73,806	2,163,846,339
Profit before Tax		142,598,507	5,059	142,603,566
Less: Tax Expense				
Current Tax		31,600,000	-	31,600,000
Income Tax related to earlier years		282,936	-	282,936
Mat Credit Entitlement		(31,600,000)	-	(31,600,000)
Deferred Tax Adjustment		25,164,100	1,720	25,165,820
Total Tax Expenses		25,447,036	1,720	25,448,756
Profit for the year from continuing operations		117,151,471	3,339	117,154,810
Other Comprehensive Income/(Expense)				
Remeasurement of net defined benefit obligations		-	-	-
Remeasurement of investment at fair value	H	-	99,375	99,375
Total Comprehensive Income for the year		-	99,375	99,375
Total Comprehensive Income for the year		117,151,471	102,714.0	117,254,185

43.1.3 Reconciliation of Other Equity as at 1st April, 2016

Particulars	Capital Reserve	Security Premium Account	General Reserve	Retained Earnings	Total Other Equity
As at 1st April, 2016 (IGAAP)	10713772	24,901,400	590,324,176	43,470,386	669,409,734
Effect of Security Deposits Receivable reflected at discounted value of deferred consideration receivable.	-	-	-	-11,822	-11,822
Impact of measuring investment at Fair Value through Other Comprehensive Income (FVTOCI)	-	-	-	236,910	236,910
Tax Impact of Ind AS Adjustment	-	-	-	4,018	4,018
As at 1st April, 2016 (Ind AS)	10,713,772	24,901,400	590,324,176	43,699,492	669,638,840



Notes to the Reconciliations:

A Investment

Investment in quoted equity shares are measured at fair value, with value changes recognised in other comprehensive income as compared to being carried at cost under IGAAP

B Financial Assets-Loans

Adjustments to security deposits receivables reflect discounted value of deferred consideration receivable under Ind AS as compared to undiscounted value of consideration under IGAAP.

C Deferred Tax Assets (net)

Adjustments to deferred tax assets reflect tax implications of other Ind AS adjustments through statement of profit and loss as compared to values under previous IGAAP.

D Other Current Assets

Adjustments to other current assets reflect transfer of deferred security deposits receivables transferred to prepaid expenses in accordance with Ind AS.

E Other Equity

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for the above mentioned line items.

F Other Income

Recognition of interest income on present value of security deposits receivable, calculated under Ind AS as compared to previous IGAAP.

G Other Expenses

Adjustments to other expenses include recognition of lease rent expenses on deferred value of security deposits receivables, calculated under Ind AS as compared to previous IGAAP.

H Other Comprehensive Income/(Expense)

Investment in equity are measured at fair value, with value changes recognised in other comprehensive income as compared to being carried at cost under IGAAP



KCL LIMITED

Notes on Financial Statements for the Year ended 31st March, 2018

44. 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, 2018 were as follows :

Amount in Rs					
S. No.	Particulars	Amortised Cost	Fair Value*	Total carrying value	Total fair value
	Assets :				
i	Investments	5,375,100	203,255	5,578,355	5,578,355
ii	Cash and cash equivalents	2,251,867	-	2,251,867	2,251,867
iii	Bank balances other than (ii) above	375,514	-	375,514	375,514
iv	Trade receivables	338,319,467	-	338,319,467	338,319,467
v	Loans	102,617,849	-	102,617,849	102,617,849
vi	Other financial assets	8,683,043	-	8,683,043	8,683,043
	Total	457,622,840	203,255	457,826,095	457,826,095
i	Liabilities :				
ii	Non Current Borrowings	76,610,295	-	76,610,295	76,610,295
iii	Current Borrowings	84,153,530	-	84,153,530	84,153,530
iv	Trade Payables	242,248,931	-	242,248,931	242,248,931
v	Other financial liabilities	76,245,598	-	76,245,598	76,245,598
	Total	479,258,354	-	479,258,354	479,258,354

The carrying value and fair value of financial instruments by categories as of 31st March, 2017 were as follows :

Amount in Rs					
S. No.	Particulars	Amortised Cost	Fair Value*	Total carrying value	Total fair value
	Assets :				
i	Investments	5,375,100	336,285	5,711,385	5,711,385
ii	Cash and cash equivalents	2,952,933	-	1,892,424	1,892,424
iii	Bank balances other than (ii) above	16,847,576	-	16,073,300	16,073,300
iv	Trade receivables	335,475,771	-	364,702,099	364,702,099
v	Loans	101,236,464	-	18,271,110	18,271,110
vi	Other financial assets	9,568,043	(50,036)	9,518,007	9,518,007
	Total	471,455,887	286,249	416,168,325	416,168,325
i	Liabilities :				
ii	Non Current Borrowings	361,074,447	-	361,074,447	361,074,447
iii	Current Borrowings	117,851,207	-	117,851,207	117,851,207
iv	Trade Payables	204,109,294	-	204,109,294	204,109,294
v	Other financial liabilities	121,493,668	-	121,493,668	121,493,668



Total	804,528,616	-	804,528,616	804,528,616
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The carrying value and fair value of financial instruments by categories as of 31st March, 2016 were as follows :

Amount in Rs					
S. No.	Particulars	Amortised Cost	Fair Value*	Total carrying value	Total fair value
	Assets :				
i	Investments	5,375,100	236,910	5,612,010	5,612,010
ii	Cash and cash equivalents	29,148,336	-	-	-
iii	Bank balances other than (ii) above	5,783,108	-	-	-
iv	Trade receivables	337,829,956	-	-	-
v	Loans	102,774,339	-	-	-
vi	Other financial assets	5,660,956	(128,901)	5,532,055	5,532,055
	Total	486,571,795	108,009	11,144,065	11,144,065
	Liabilities :				
ii	Non Current Borrowings	76,610,295	-	76,610,295	76,610,295
iii	Current Borrowings	84,153,530	-	84,153,530	84,153,530
iv	Trade Payables	242,248,931	-	242,248,931	242,248,931
v	Other financial liabilities	76,245,598	-	76,245,598	76,245,598
	Total	479,258,354	-	479,258,354	479,258,354

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, 2018

45 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 2018				
Borrowings	581,956,732	217,254,633	364,702,099	581,956,732
Trade Payables	358,439,033	358,439,033	-	358,439,033
Other Financial Liabilities	30,482,933	30,482,933	-	30,482,933
As at 31st March 2017				
Borrowings	568,061,059	206,986,612	361,074,447	568,061,059
Trade Payables	204,109,294	204,109,294	-	204,109,294
Other Financial Liabilities	32,358,263	32,358,263	-	32,358,263
As at 1st April 2016				
Borrowings	212,457,889	135,847,594	76,610,295	212,457,889
Trade Payables	242,248,931	242,248,931	-	242,248,931
Other Financial Liabilities	24,551,534	24,551,534	-	24,551,534

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 aging 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. 961.90 lacs (31st March, 2017: Rs. 948.89 lacs and 1st April, 2016: Rs. 942.68 lacs).

The Company's maximum exposure to credit risk as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.



- 46 The financial statements are the Company's first Ind AS consolidated financial statements. 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 2018, 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

RoHit



For and on behalf of the Board

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

[Signature]
RAJEEV KHEMKA
(Director)
DIN No 00103260

ATTENDANCE SLIP

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

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

I hereby record my presence at the Thirty fifth Annual General Meeting of the Company be held on Saturday, the 29th day of September, 2018, at 01:00 P.M. at the Registered office of the company situated at E-292, Sarita Vihar, New Delhi - 110044.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

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

Form No. MGT - 11
Proxy form

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

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

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

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

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

Or falling him/her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Saturday, 29th day of September 2018 at 01:00 p.m. at E-292, Sarita Vihar, New Delhi - 110044, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018, 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. Sanjeev Khemka (holding DIN No: 00103295), who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashish Khemka (holding DIN No: 00103321), 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 Special Resolution:

5. **“RESOLVED THAT** pursuant to the provision of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules,2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the company hereby ratifies the appointment of M/s Rohit Baid & Co., Chartered Accountants, Faridabad, bearing Firm Registration No 031122N with Institute of Chartered Accountant of India), as auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) of the Company to be held in the year 2019 on a remuneration to be determined by the Board mutually in consultation with the auditors and reimbursement of audit expenses at actual.”

Signed this day of 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

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

