



**KILBURN CHEMICALS LTD.**

**ANNUAL  
REPORT  
AND  
ACCOUNTS  
2013-2014**

**DIRECTORS**

S. K. JALAN – *Managing Director*  
V. VANCHI  
R. CHAUDHRI  
A. CHATRATH  
P. K. BHATTACHARJEE  
T. M. PATEL

**BANKERS**

AXIS BANK LIMITED  
HDFC BANK LIMITED

**AUDITORS**

G. P. KEJRIWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
KOLKATA

**REGISTERED &  
CORPORATE OFFICE**

“SHANTINIKETAN”  
16TH FLOOR  
8, CAMAC STREET  
KOLKATA 700 017

**REGISTRAR &  
SHARE TRANSFER AGENT**

MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGOE LANE, 2ND FLOOR  
KOLKATA - 700 001  
PHONE NO. : (033) - 22435809 / 5029  
FAX NO. : (033) 2248 4787  
EMAIL : mdpl@cal.vsnl.net.in

## NOTICE FOR THE 24TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the Company will be held on Tuesday, the 30th day of September, 2014, at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata- 700 017, at 02.00 P.M. to transact the following:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2014, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Shri. Tushar M Patel (DIN: 00031632) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of section 140 and other applicable provisions, if any, of the Companies Act, 2013, Messrs. V.Singhi & Associates, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Twenty Ninth Annual General Meeting in place of the retiring Auditors M/s. G.P. Kejriwal & Associates, Chartered Accountants, to audit the Accounts of the Company, subject to ratification by members every year on a remuneration to be fixed by the Audit Committee.”

### AS SPECIAL BUSINESS

4. To appoint Shri Ranjit Chaudhri (DIN: 00396767) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Ranjit Chaudhri (DIN: 00396767), who was appointed as a Director liable to be retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.”

5. To appoint Shri Parag Keshar Bhattacharjee (DIN: 00081899) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement,

Shri. Parag Keshar Bhattacharjee (DIN: 00081899), who was appointed as a Director liable to be retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.”

6. To appoint Shri Anand Chatrath (DIN: 00234885) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. Anand Chatrath (DIN: 00234885), who was appointed as a Director liable to be retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company .”

**Registered Office:**  
SHANTINIKETAN  
16th Floor  
8, Camac Street  
Kolkata– 700 017  
Dated : 30th July, 2014

By Order of the Board  
**KILBURN CHEMICALS LTD**

**Sunil G. Somani**  
*G.M. Finance & Company Secretary*

## **NOTES**

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend, and to vote in his place. A proxy need not be a member of the Company.
2. The proxy Form to be valid, should be duly stamped, executed and deposited at the registered office of the Company at least forty eight hours before the time fixed for the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2014 to, 30th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.

5. The Members are requested to:
  - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata -700 001 in respect of their holdings in physical form.
  - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - (c) Register their email address and changes there in from time to time with M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata -700001, for shares held in physical form and with their respective Depository Participants for shares held in demat form.
6. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
7. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata -700001 and have it duly filled and sent back to them.
8. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their e- mail addresses, physical copies of the Notice of 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re appointment.
11. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.kilburnchemicals.com](http://www.kilburnchemicals.com) for their download.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with M/s. Maheshwari Datamatics Pvt. Ltd. 6 Mangoe Lane, 2nd Floor Kolkata -700 001. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 125 (2) of the Companies Act, 2013(Section 205A of the erstwhile Companies Act, 1956)be transferred to the Investor Education Protection Fund.

13. Voting through Electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form the facility to exercise means and the business may be transacted through e-voting services by Central Depository Services Limited (CDSL). The instructions for e-voting are as under:

The Notice of the 24th Annual General Meeting (AGM) of the Company interalia indicating the process and manner of e-voting process along with printed Attendance slip and Proxy Form is being dispatched to all the Members. The voting particulars are provided at the bottom of the Attendance slip for the 24th Annual General Meeting.

- a) Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- b) Click on :**SHAREHOLDERS**” tab
- c) Now, select Electronic Voting sequence No. as mentioned in the Attendance slip along with “ **KILBURN CHEMICALS LTD**” .
- d) Now enter your **USER ID** (as mentioned in the Attendance Slip)
  - i. For CDSL: 16 digits beneficiary ID.
  - ii. FOR NSDL: 8 Characters DP ID followed by 8 digits client ID
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image verification as displayed and Click on LOGIN.
- f. If you are holding shares in Demat Form and have logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- g. However, if you are a first time user, please use the E-Voting particular provided in the attendance Slip and fill up the same in the appropriate boxes.
- h. After entering these details appropriately, click on “SUBMIT “tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For members holding shares in physical form, the details in attendance slip can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN “**KILBURN CHEMICALS LTD**” for which you choose to vote.

- I. On the voting page, you will see” **RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
- m. Click on the “**RESOLUTION FILE LINK**” if you wish to view the entire Resolutions.
- n. After selecting the resolution you have decided to vote on click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- o. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify the vote.
- p. You can also take a print out of the voting done by you clicking on “**CLICK HERE TO PRINT**” option on the voting page.
- q. If Demat account holders have forgotten the changed password then enter the USER ID and image verification code (CAPTCHA CODE) click on Forgot Password and enter the details as prompted by the system.
- r. Institutional Shareholders (i.e. other than Individuals, HUF, and NRI etc) are required to log on to [http:// www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - They should submit a scanned copy of the registration form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF Format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com). You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. The E-Voting period begins from 24th September, 2014 (9.00 A.M.) (IST) and ends on 26th September, 2014 (6.00 P.M.)(IST) During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off/entitlement date of 29th August, 2014 may cast their vote electronically.

The E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholders by electronic means, the shareholders shall not be allowed to change it subsequently or cast his vote by any other means.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off/entitlement date of 29th August, 2014.

- V. Mr. Sunil Kumar Banerjee (Membership No.FCS 4652) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period un-block the votes in the presence of at least (2) witnesses not in the employment of the Company and make scrutinizer's report of the votes cast in favour or against, if, any, forthwith.

The results shall be declared on or after the 24th Annual General Meeting of the Company. This Notice as well as the Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of the CDSL within two (2) days of passing of the resolution at the 24th Annual General Meeting of the Company on 30th September, 2014.

- 14. Members are hereby informed that Dividends which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 205 A and 205C of the Companies Act, 1956. Further under the amended provisions of section 205B of the Companies Act, 1956, no claim shall lie for the unclaimed dividend from IEPF or from the company by the shareholders.



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (ERSTWHILE SECTION 173 OF THE COMPANIES ACT, 1956)**

**ITEM NO 4.**

Mr. Ranjit Chaudhri (Aged -48 Years) is the Independent Director of the Company. He joined the Board of Directors of the Company on 30.06.2003.

DIN: 00396767

Qualifications: Bachelors Degree in Economics from Brandeis University, USA & the London School of Business.

Expertise in Specific Functional Areas: Industrialist.

List of outside Directorship: Holtzman Systems Ltd & Holtzman International Ltd.

Membership/Chairmanship of Committees held in other public company: NIL.

Shares held in the company: NIL.

Except Mr. Ranjit Chaudhri, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 4.

**ITEM NO 5**

Mr. Parag Keshar Bhattacharjee (Aged -75 Years) is the Independent Director of the Company. He joined the Board of Directors of the Company on 29.01.2007.

DIN: 00081899

Qualifications: M.A. (Economics), CAIIB.

Expertise in Specific Functional Areas: Retired Dy. Managing Director & Chief Financial Officer, State Bank of India

List of outside Directorship: Global Investment Trust Ltd, Cheviot Company Ltd, Kaushalya Infrastructure Development Corporation Ltd, Quippo Telecom Infrastructure Ltd, Saphire Enclave Pvt. Ltd., Wonderland Promoters Pvt. Ltd and Right Towers Pvt. Ltd.

Membership/Chairmanship of Committees held in other public company: Member in Cheviot Company Ltd and Kaushalya Infrastructure Development Corporation Ltd.

Shares held in the company: NIL.

Except Mr. Parag Keshar Bhattacharjee being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 5.

**ITEM NO 6**

Mr. Anand Chatrath (Aged -55 Years) is the Independent Director of the Company. He joined the Board of Directors of the Company on 29.01.2007.

DIN: 00234885

Qualifications: B.Com & F.C.A.

Expertise in Specific Functional Areas: Chartered Accountant.

List of outside Directorship: Nicco Parks & Resorts Ltd, Chatrath Capital Services Pvt. Ltd., Sunflag Commercial Pvt. Ltd., Nicco Engineering services Ltd., AAC Construction Co. Pvt. Ltd. and C & S Secured Administrative & Financial Consultancy Pvt.Ltd.

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Membership/Chairmanship of Committees held in other public company: Chairmanship in Audit Committee, Share Holders Committee Investors & Grievances Committee of the Nicco Parks & Resorts Ltd. He also holds membership position in Remuneration Committee of Nicco Parks & Resorts Ltd. and Membership in Remuneration Committee and Audit Committee of Nicco Engineering Services Ltd.

Shares held in the company: NIL.

Except Mr. Anand Chatrath being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out in Item No. 6.

Mr. Ranjit Chaudhri, Mr. Parag Keshar Bhattacharjee and Mr. Anand Chatrath being Non-Executive and Independent Directors of the Company are proposed to be appointed for a term of five years w.e.f the date of ensuing AGM, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with schedule IV of the Companies Act, 2013.

The approval is sought from the members for the appointment of aforesaid Independent Directors for a term of five consecutive years from the date of the ensuing AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They shall not be liable to retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their Relatives, other than Directors for their respective appointment, are concerned or interested in their resolutions.

The Board recommends the Resolution Nos. 4 to 6 for the approval of the members.

**Directors seeking appointment/re-appointment in the Annual General Meeting scheduled to be held on 30th September, 2014**

<b>Name of the Director(s)</b>	<b>Shri Tushar Mahendra Patel</b>
Age	48 years
Date of Appointment	9th November, 2012
Expertise in specific Functional Areas	Industrialist
Qualification	B.COM & M.B.A.
List of outside Directorship held	1. Sanrhea Technical Textile Ltd. 2. Tejal Trading Pvt. Ltd. 3. Mahendra Credit & Investment Co. Pvt. Ltd. 4. Avantika Investments Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member: Shareholders Grievance Committee.
Chairman/Member of the Committees of Director of other Companies in which he is a Director (a) Audit Committee (b) Remuneration Committee (c) Shareholders/ Investors Grievance Committee	NIL NIL Member: Sanrhea Technical Textile Ltd.

**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 24th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2014.

**FINANCIAL HIGHLIGHTS**

(Rs. In lacs)

	2013-14	2012-13
Total Revenue	181	271
Gross Operating Profit	127	341
Depreciation for the year	116	117
Profit Before Extraordinary items and Tax	11	224
Profit Before Tax (PBT)	11	224
Provision for Tax including Deferred Tax	(35)	12
Net Profit After Tax (PAT)	46	212
Add : Surplus / (Loss) brought forward from previous year	4,016	3,804
Profit available for Appropriation	4,062	4,016
Balance carried forward	4,062	4,016

**OPERATIONS**

During the year under review the Company has achieved turnover of Rs.1.81 Crores which solely came from Wind Mills Operations as compared to last year Rs. 2.71 Crores which is 33.21% less compared to previous year. The Company has earned profit after tax including deferred tax Rs.46 lac as compared to Rs.212 lacs last year. The generation by the windmills owned by the Company was satisfactory but there was a problem with the local power board on evacuating the power generated. Hence, a substantial portion of the power generated by the windmills were lost and we were unable to bill the same.

**EQUITY DIVIDEND**

In view of the sharp drop in profitability and with a view to conserve resources for the company's Greenfield Project, Directors felt it prudent to skip dividend on Equity Shares for the year.

**AUDITORS' REPORT**

The notes to the accounts referred to in the Auditors' Report are self explanatory.

**FUTURE OUTLOOK**

As members are aware that your company is in the process of setting up a new Project for production of both Anatase and Rutile Grades of Titanium Dioxide with an annual capacity of 15,000 MT in Gujarat, at Jolwa Village at Dahej.

Most of the legal formalities, compliances and regulatory clearances for setting up the plant have been completed. The process of tying up the financial assistance is in process. IDBI Capital Market Services has been mandated for syndicating the necessary facilities and hope to complete the same soon.

After completion of term financial assistance, the company will immediately start implementing its project in full swing.

**SHARE CAPITAL**

During the year under review, in accordance with the approval of the members, the company had issued and allotted 7,65,000 equity share at a premium of Rs. 6/- per share on preferential basis to Maryada Advisory Services Pvt. Ltd. as per SEBI guidelines.

**CORPORATE GOVERNANCE**

Pursuant to the provisions contained in the Listing Agreement with Stock Exchanges, a Report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of the Corporate Governance is annexed. The Management Discussion and Analysis Report has not been annexed as the company has only windmill operations in place.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors'

Responsibility Statement, it is hereby confirmed:

- (1) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for year under review;
- (3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) That the Directors have prepared the Annual Accounts on a going concern basis.

### **DIRECTORS**

Shri A. D. Nanaiya, has resigned as Director of the company w. e. f. 14.02.2014

The Board placed on record its appreciation for the valuable contribution made by him during his tenure as Director of the company.

Pursuant to sections 149, 152 and any other applicable provisions of the Companies Act, 2013, Shri Ranjit Chaudhri, Shri Anand Chatrath and Shri Parag Keshar Bhattacharjee have been appointed as Independent Directors to hold office for five consecutive years.

Shri Tushar M. Patel retires by rotation at this Annual General Meeting and being eligible, offers himself, for re-election.

### **AUDITORS**

M/s G. P. Kejriwal & Associates, Chartered Accountants, Kolkata have been the Statutory Auditors of the Company for last 24 years. The Board has recommended a change in the Statutory Auditors of the Company and proposed that M/s. V. Singhi & Associates, Chartered Accountants, Kolkata be appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting.

The Company has received Special Notice from a member of the Company, signifying its intention to

propose the appointment of M/s. V. Singhi & Associates, Chartered Accountants, Kolkata, as Statutory Auditors of the Company. The notice convening the 24th Annual General Meeting contains the said resolution.

The Board places on record its appreciation of the services rendered by M/s. G. P. Kejriwal & Associates, Chartered Accountants, for last 24 years.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Company has, during the year under review, transferred a sum of Rs.6,39,028/- to Investor Education and Protection Fund, in compliance with the provisions of erstwhile Section 205C of the Companies Act, 1956. The said amount represents dividend for the financial year 2005-2006 which remained unclaimed by the members of the company for a period exceeding 7 years from its due date of payment.

### **PARTICULARS OF EMPLOYEES**

Industrial relations in the Company continued to be cordial and satisfactory. During the year no employee was covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

### **ACKNOWLEDGEMENT**

Your Directors are grateful for the co-operation and continued guidance and support extended by various agencies of Central Government and State Government (s) and various Government Departments and Agencies, Axis Bank Ltd., and HDFC Bank Ltd. Your Directors thank and express their gratitude to various stakeholders i.e customers, dealers, suppliers, advisors and consultants for their committed engagement with the Company. The Directors greatly appreciate the dedicated and sincere services rendered by the employees at all levels. Finally, the Directors express their gratitude to all the Shareholders for their support.

For and on behalf of the Board,

Place : Kolkata  
Date : 30th July, 2014

**S. K. JALAN**  
*Managing Director*

## REPORT ON CORPORATE GOVERNANCE

[Pursuant to Clause 49 of the Listing Agreement]

### A. MANDATORY REQUIREMENTS

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

Your Company firmly believes in transparency, professionalism and accountability in its dealings and lays emphasis on integrity and compliance of regulatory provisions and has constantly endeavoured to practice good Corporate Governance. The above policies adopted by the Company recognize the accountability of the Board and assist its top management in the efficient conduct of the business of the Company and at the same time in meeting its social obligations.

The Company has taken a series of steps to put in place appropriate Corporate Governance Policies for your Company and to comply with many of the regulations framed in this regard by the Securities & Exchange Board of India.

#### 2. BOARD OF DIRECTORS

The Board of Directors of your Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance management, legal and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49(1)(A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

The composition, status, attendance at the Board Meetings and the last Annual General Meeting (AGM), outside Directorships and other Board Committees as at 31st March, 2014 is as under :

Name of the Director	Status i.e., Executive, Non Executive and Independent	No. of Membership in other Boards or other Committees as Member or Chairman (other than Private Limited Companies and Kilburn Chemicals Ltd.)		Number of Board Meetings		Whether attended last A.G.M.
		Board	Committee	Held during the year	Attended during the year	
Mr. S. K. Jalan	Executive Managing Director	8	1	7	7	YES
Mr. V. Vanchi	Executive Director	4	1	7	7	YES
Mr. A. D. Nanaiya (Resigned w.e.f. 14.2.2014)	Non Executive Independent Director	1	–	7	–	NO
Mr. Ranjit Chaudhri	Non Executive Independent Director	2	–	7	7	YES
Mr. Anand Chatrath	Non Executive Independent Director	2	1	7	5	NO
Mr. Parag Keshar Bhattacharjee	Non Executive Independent Director	4	2	7	6	NO
Mr. Tushar Mahendrabhai Patel	Non Executive Independent Director	1	1	7	–	NO

Seven Board Meetings were held on 24.4.2013, 30.5.2013, 14.8.2013, 11.11.2013, 14.2.2014, 22.2.2014 and 29.3.2014 during the year.

**3. CODE OF CONDUCT :**

Board of Directors of the Company have laid down the Code of Conduct for all its Members and Senior Management Personnel who have affirmed their compliance therewith. The Code has also been displayed on the Company's Website.

**CEO/CFO CERTIFICATION**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

**4. AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the Internal Control Systems and financial disclosures.

The terms of reference of the Audit Committee covers the matter specified for Audit Committee under Clause 49 of the Listing Agreement and the Companies (Amendment) Act, 2000 and is vested with the following powers :

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advices.
- To secure attendance of outsiders with relevant expertise, if considered necessary.
- Review of Company's Financial reporting process.
- Review of Half yearly and annual financial statements, before submission to the Board.
- Review with External Auditors, on areas of concern.
- Review the adequacy of internal control systems.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31st March 2014.

The Board of Directors of the Company had constituted an Audit Committee comprising of Shri. Ranjit Chaudhri, (Chairman); Shri A. D. Nanaiya (Resigned w.e.f. 14.2.2014); Shri. Anand Chatrath & Shri. Parag Keshar Bhattacharjee.

The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956. Shri Anand Chatrath is a Chartered Accountant and possesses knowledge of corporate finance, accounts and company law. The Statutory Auditor, Internal Auditor are also invited to the Meetings. The quorum for the Audit Committee Meetings is two members. Mr. Muneesh Maharwal, acts as the Secretary of the Committee.

Date of Audit Committee Meeting held and attended by the Members	Mr. Ranjit Chaudhri	Mr. A.D. Nanaiya (Resigned w.e.f. 14.2.2014)	Mr. Anand Chatrath	Mr. Parag Keshar Bhattacharjee
30.05.2013	YES	–	YES	–
14.08.2013	YES	–	YES	YES
11.11.2013	YES	–	–	YES
14.02.2014	YES	–	–	YES

Shri. Muneesh Maharwal acts as the Secretary of the Committee.

### **INTERNAL AUDIT**

The Company has appointed M/s. R. C. Jhaver & Co., Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

### **5. REMUNERATION COMMITTEE**

The Board of Directors has constituted the Remuneration Committee which includes Mr. R. Chaudhri (Chairman), Mr. Anand Chatrath and Mr. P. K. Bhattacharjee.

#### **REMUNERATION TO DIRECTORS**

The Details of Remuneration paid to Directors for the year ended 31st March, 2014 are as follows :

Name of the Director	Sitting Fees	Salaries & Perquisites	Commission	No.of Shares held	
				Equity	Preference
Mr. S. K. Jalan	–	Rs. 40,25,792/-	–	25255	–
Mr. V. Vanchi	Rs. 28,000/-	–	–	4105	–
Mr. Ranjit Chaudhri	Rs. 44,000/-	–	–	–	–
Mr. Anand Chatrath	Rs. 28,000/-	–	–	–	–
Mr. P. K. Bhattacharjee	Rs. 36,000/-	–	–	–	–
Mr. Tushar M. Patel	–	–	–	–	–

The Company does not have any Employee Stock Option Scheme.

The agreement with the Managing Director is for a period of three years, notice period is of 6 months and Service Contract is from 14th November, 2012 to 13th November, 2015.

The remuneration of the Managing Director is determined by the Board within the statutory limits subject to shareholder's approval and on the basis of recommendation of the Remuneration Committee.

### **6. SHARE TRANSFER COMMITTEE (INVESTORS/SHAREHOLDER'S GRIEVANCE COMMITTEE)**

The Committee is headed by Mr. V. Vanchi, Executive Director. The other members of the Committee include Mr. S. K. Jalan, Executive Managing Director and Mr. Ranjit Chaudhri,

Non Executive Independent Director.

The Committee looks into redressal of investor's grievances, various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approving of split and consolidation requests and other matters relating to transfer and registration of shares. All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2014.

The Committee generally meets once a month.

A	No. of Pending Complaints as on 01.04.2013	NIL
B	No. of complaints received from Stock Exchanges/SEBI/Investors	7
C	No. of complaints resolved	7
D	No. of pending complaints as on 31.3.2014	NIL

Mr. Muneesh Maharwal is the Compliance Officer.

## 7. GENERAL BODY MEETINGS

### (i) Details of Annual General Meeting

The location and time of the General Meetings held during the last three years is as follows :

AGM/EGM	Date	Venue	Time	No.of special resolutions Passed
AGM	19.08.2013	Narada Gana Sabha, (Mini Hall) 314, T.T.K. Road, Alwarpet Chennai – 600018	11.00 A.M.	1
AGM	24.09.2012	Narada Gana Sabha, (Mini Hall) 314, T.T.K. Road, Alwarpet Chennai – 600018	11.00 A.M.	NIL
AGM	19.09.2011	Narada Gana Sabha, (Mini Hall) 314, T.T.K. Road, Alwarpet Chennai – 600018	3.30 P.M.	NIL

### (ii) Special Resolutions/Postal Ballot Resolutions

- (a) No Resolution was put through Postal Ballot in the Last Annual General Meeting.
- (b) A Special Resolution was passed in the Last Annual General Meeting regarding partial modifications of the earlier Ordinary Resolutions passed by shareholders at the 22nd Annual General Meeting of the Company held on 24th Day of September,2012 regarding the Remuneration given to Managing Director as per the applicable and relevant sections of the Companies Act,1956.
- (c) (i) An Ordinary Resolution was passed by means of the Postal Ballot under section 192 A (2) of the Companies Act,1956 and 293 (1)(a) of the Companies Act,1956 and other applicable provisions of the Companies Act,1956 to sell, convey,transfer,assigns,deliver or otherwise of generation of electricity by wind turbine generators located at Tirunielveli district, Tamil Nadu by way of slump sale.



- (ii) A Special Resolution was passed by way of Postal Ballot for change of registered office from the state of Tamil Nadu to State of West Bengal pursuant to section 17 and other applicable provisions of Company Acts, 1956.

Both the above said Resolutions was passed by Postal Ballot on 14th June, 2013. Mr. Babu Lal Patni was the scrutinizer for the postal ballot.

- (d) A Special Resolution was passed in the Extra ordinary General Meeting held on 24th March, 2014 for the Issue of 7,65,000 Equity Shares at a face value of Rs.10/- and at a Premium of Rs. 6/- on Preferential basis to a Promoter Company as per Section 81 (1A) of the Companies Act, 1956 and SEBI (ICDR) Regulations, 2009.

## **8. DISCLOSURES**

- i) There are no materially significant related party transactions except those mentioned in Note 24 on accounts.
- ii) There were no non-compliances, penalties, strictures imposed on the Company by Stock Exchange, SEBI, or any Statutory Authority, on any matter related to Capital Markets during the last three years.
- iii) There is no Whistle Blower Mechanism in the Company.
- iv) The Company has complied with all the applicable mandatory requirements and adopted some Non – mandatory requirements stipulated under Clause 49, such as requirements with regard to Remuneration Committee.

## **9. MEANS OF COMMUNICATION**

Quarterly, half yearly and annual results are published in prominent dailies such as Financial Express/Eco of India (English) and Dainik Statesmen/Arthik Lipi (Bengali) Newspaper and also displayed on the Company's Websie : [www.kilburnchemicals.com](http://www.kilburnchemicals.com).

## **10. GENERAL SHAREHOLDER INFORMATION**

- i) Next Annual General Meeting
- |       |   |
|-------|---|
| DATE  | : 30th September, 2014  |
| TIME  | : 2.00 p.m.   |
| VENUE | : Bharatiya Bhasha Parishad<br>36A, Shakespeare Sarani<br>Kolkata - 700 017 |
- ii) FINANCIAL CALENDAR : (tentative) for the year 2014-2015
- |   |                              |
|---|------------------------------|
| a) First Quarter Results                  | – 2nd Week of July, 2014     |
| b) Second Quarter Results                 | – 1st Week of November, 2014 |
| c) Third Quarter Results                  | – 1st Week of February, 2015 |
| d) Results for the year ending March 2013 | – May, 2015                  |
- iii) Date of Book Closure – 24.09.2014 to 30.09.2014 (both days inclusive)
- iv) Dividend Payment Date – N.A.
- v) Listing on Stock Exchange – The Stock Exchange, Mumbai
- Listing Fee for the financial year 2014 –2015 has been paid to the Stock Exchange, Mumbai

**STOCK CODE :**

The Stock Exchange, Mumbai – 524699  
 Demat ISIN No.for NSDL & CDSL – INE655C0102

**MONTHLY STOCK PRICE DATA :**

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April, 2013	18.20	15.15
May, 2013	18.00	14.55
June, 2013	14.80	11.65
July, 2013	14.58	11.37
August, 2013	14.90	11.06
September, 2013	19.11	14.15
October, 2013	20.30	15.30
November, 2013	23.25	17.50
December, 2013	21.90	11.95
January, 2014	13.99	10.52
February, 2014	11.94	10.21
March, 2014	13.39	10.41

(relates to trading in The Stock Exchange, Mumbai)

**REGISTRAR & SHARE TRANSFER  
AGENT**

**MAHESHWARI DATAMATICS PVT. LTD.**  
6, MANGOE LANE, 2nd Floor  
KOLKATA 700 001.

Share Transfer System :

Share Transfers in physical Form are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at regular intervals. Share Transfers are registered and returned generally within 15 days from date of receipt, provided the documents are complete in all respects.

**Distribution of Shareholding as on 31.03.2014**

No.of EquityShares held	No.of Folios	%	No.of Shares	%
1 to 500	19,192	97.6941	13,79,383	16.8423
501 to 1000	234	1.1911	1,91,835	2.3423
1001 to 2000	95	0.4836	1,37,815	1.6827
2001 to 3000	42	0.2138	1,05,219	1.2847
3001 to 4000	29	0.1476	1,01,915	1.2444
4001 to 5000	13	0.0662	63,033	0.7696
5001 to 10000	19	0.0967	1,44,402	1.7632
10001 and above	21	0.1069	60,66,398	74.0708
	<b>19,645</b>	<b>100.0000</b>	<b>81,90,000</b>	<b>100.0000</b>

Shareholding Pattern as on 31.03.2014 is as follows :

Category	No.of Folios	No.of shares	%
Promoters	11	42,29,747	51.6453
Mutual Fund	6	6,700	0.0818
Bank, Financial Institutions	5	1,000	0.0122
Private Corporate Bodies	193	17,60,534	21.4961
Indian Public	19,402	21,66,455	26.4525
NRI/OCBs	28	25,564	0.3121
	19,645	81,90,000	100.0000

### DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31st March, 2014, 65,11,068 shares were converted from physical to electronic form. Over 80% equity shares have been dematerialised upto 31st March, 2014. Trading in Equity Shares of the Company is permitted only in dematerialised form with effect from 29.1.2000 as per notification issued by the Securities and Exchange Board of India. (SEBI).

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date

And likely impact on equity : Not Applicable.

CORPORATE OFFICE : KOLKATA, WEST BENGAL

ADDRESS FOR CORRESPONDENCE : "SHANTINIKETAN", 16TH FLOOR  
8, CAMAC STREET  
KOLKATA – 700 017

### B. NON-MANDATORY REQUIREMENTS:

#### Shareholder rights:

The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders –

As the Company's Quarterly/half-yearly results are published in English Newspapers having circulation all over India and in a Bengali Newspaper (having circulation in Kolkata) the same is not being sent to the shareholders separately.

Place : Kolkata  
Date : 29th May, 2014

**S. K. JALAN**  
*Managing Director*

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as annexed to the Directors Report.

### **ANNEXURE TO THE DIRECTORS' REPORT**

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement.

### **TO THE MEMBERS OF KILBURN CHEMICALS LTD.**

We have examined the compliance of conditions of Corporate Governance by Kilburn Chemicals Ltd., for the year ended 31st March, 2014 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **G.P. KEJRIWAL & ASSOCIATES**

*Chartered Accountants*

Firm Registration No.302201E

**K. K. SINGHAL**

*Partner*

M.No.50140

5, Clive Row  
Kolkata – 700 001  
Dated : 29th May, 2014

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Kilburn Chemicals Ltd. Report on the Financial Statements

We have audited the accompanying financial statements of Kilburn Chemicals Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Basis for Qualified Opinion Attention is drawn to the following notes in the financial statements:

1. Notes 11(i) and 11(ii) in Note 20 regarding Loans given to a Body Corporate (related party) and non charging of interest there on.
2. Note 3 (c) in Note 20 regarding outstanding Trades Receivables of Rs. 11,14,08,910/- in respect of Commodity transactions and the management being confident of recovering such dues over a period of time in view of the facts stated there under.
3. Note 3(b) in Note 20 regarding non-availability for Auditors verification and checking of certain purchase and sales invoices and warehouse receipts for the stocks of Commodities as on 31.03.2014, due to reasons explained thereunder.
4. Note 2 in Note 20 regarding no provisions having been made for possible short recoveries, against outstandings and receivables as mentioned under sub notes 2(a) to 2(d), though considered good and fully recoverable by the management.

The aggregate impact of our observations in paragraphs 1 to 4 above on the results for the year ended 31.03.2014 and the net assets position as at that date cannot be readily ascertained.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters stated in the Basis of Qualified Opinion paragraph, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2014.
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
2. As required by section 227(3) of the Act, we report that:
    - a. Except for our comments in Basis of Qualified Opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account, as submitted to us;
    - d. Except for our comments in Basis of Qualified Opinion paragraph, and read with note 1(viii) in Note 20, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
    - e. On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

### **Emphasis of Matter**

We draw attention to the following notes in Note 20 attached to the financial statements. Our opinion is not qualified in respect of these matters:

1. Notes 1(viii),1(ix),1(xii) and 2, regarding recognition of certain revenue and expenditure on the basis stated thereunder, certain Long and Short term loans and advances, Trade receivables and other current assets having been considered good by the management and not provided for, and other matters as referred to thereunder
2. Note 11(iii) regarding remuneration paid/provided to Managing Director of the Company in earlier year, being in excess of the limits prescribed under law, for which the approval of the Shareholders was obtained in the Annual General Meeting held on 19.08.2013, subject to obtaining the approval of the concerned authorities. In view of the Managing Director having agreed to refund to the Company such excess remuneration, the company is not seeking the approval of the concerned authorities.

In respect of above observations the previous year's audit report was similarly modified.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us and the books and records as produced and examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the attached Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.

For **G. P. KEJRIWAL & ASSOCIATES**  
*Chartered Accountants*

Firm Registration No. 302201E

5, Clive Row  
Kolkata-700001.

Dated : 29th May, 2014

**K. K. SINGHAL**  
*Partner*

M.No.50140

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in Paragraph (1) on Report on Other Legal and Regulatory Requirements of our Report of even date of KILBURN CHEMICALS LTD. as at and for the year ended 31st March, 2014)

- i. (a) The Company has, in our opinion, maintained proper records in computer, to show full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets, as informed were physically verified by the management during the year ended 31.03.2014 and no material discrepancies were noticed on such physical verification.
- (c) In our opinion, substantial part of fixed assets have not been disposed off by the company during the year.
- ii. (a) The Company had no inventories either as on 31.03.2013 or as on 31.03.2014
- (b) In view of our remarks under Para (a) above, the clauses (b) and (c) of the aforesaid order are not applicable to the company for the current year.
- iii. (a) According to the records of the company, the company has not during the year granted Loans, unsecured or secured (excluding unsecured loans of Rs 2,75,01,331/- outstanding as on 01.04.2012 and 01.04.2013) to companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (b) No interest is being charged on loans as referred to in Para (a) above, on loans of Rs. 2,75,01,331/- outstanding as on 31.03.2013 and 31.03.2014 as the same is intended to be accounted for on Cash basis (refer Note 1(viii)(h) in Note 20 attached to the financial statements). Any other terms and conditions on which the above loans were granted having not been mentioned, we are not in a position to comment as to whether or not the other terms and conditions of the loans granted by the company are prima facie prejudicial to the interest of the company.
- (c) In respect of loans as referred to in Para(a) above granted, there were no Schedules as regards to repayments of principal amount and therefore we are not in a position to make any comments as to whether or not the company was regular in receipt of the principal amount.
- (d) In view of our comments in Para (c) above, we are not in a position to make any comment as to whether or not there were any overdue amounts of more than Rs One Lakh and whether any reasonable steps have been taken by the company for recovery of the principal amount (also refer Para (b) above ).
- (e) According to the records of the Company, the Company has not taken any Loans, secured or unsecured during the year from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) In view of our comment in paragraph (e) above, clauses (f) and (g) of the aforesaid order, are, in our opinion, not applicable to the Company for the current year.
- iv. In our opinion and on the basis of test checks carried out by us, and considering the explanations given by the management that alternative sources not being available for certain purchases and payments, it appears that there are adequate internal control system commensurate with the size of the Company and the nature of its business with respect to major purchases of fixed assets. There were no purchases of inventory and sale of goods during the year. Further, during the course of our audit we have neither come across nor have we been informed by the management or the internal auditors of any instance of major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act 1956 have been entered in the said register.
- (b) According to the information and explanation given to us, the Company has not entered into any transactions exceeding the value of five lacs rupees in respect of any party during the year that need to be entered in the register in pursuance of section 301 of the Companies Act, 1956 and therefore, clause v(b) of paragraph 4 of the aforesaid order, is in our opinion, not applicable to the Company for the current

- year.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year under the provisions of section 58A, 58AA or any other relevant provisions of the Act.
- vii. In our opinion, the internal audit system so as to be commensurate with the size of the Company and nature of its business needs to be improved upon as to scope and reporting.
- viii. We are informed by the company that maintenance of cost records have not been prescribed under clause (d) of sub-section (i) of Section 209 of the Act.
- ix. (a) According to the records of the Company, the Company has been generally regular in depositing during the year undisputed statutory dues (to the extent applicable) including Provident Fund, Investor Education and Protection Fund (except as stated in Note 6(v) in Note 20 attached to the financial statements), Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities, though there has been some delays in depositing of tax deducted at source and service tax.
- According to the records of the Company, there were no arrears of outstanding statutory dues which have remained outstanding as at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the records of the Company, and as per the information and explanations given to us, there were no dues outstanding of sales tax/ weath tax/service tax/custom duty/excise duty/cess/Income Tax which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at 31st March 2014 and has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. The Company has not taken any loans from a financial institution or bank or debenture holders during the year.
- xii. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- xiii. In our opinion, the provisions of any Special Statute applicable to Chit Fund/Nidhi/Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi. According to the records of the company, no term loans were taken by the company during the year.
- xvii. On the basis of the review of utilization of funds on overall basis as on 31.03.2014, related information, explanations and statements as made available to us and as represented to us by the Management, funds available as Short Term during the year have not been used for Long Term application.
- xviii. During the year the company has made preferential allotment of equity shares at the price of share which is not prejudicial to the interest of the Company to parties covered in the register maintained under section 301 of the Companies Act 1956.
- xix. The Company has not issued any Debentures during the year.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management or the internal auditors of the Company.

**For G. P. KEJRIWAL & ASSOCIATES**  
*Chartered Accountants*

Firm Registration No. 302201E

**K. K. SINGHAL**

*Partner*

5, Clive Row  
Kolkata-700001.

Dated : 29th May, 2014

M.No.50140



**BALANCE SHEET AS AT 31st MARCH, 2014**

	Note No.	31.03.2014		31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	8,19,00,000		7,42,50,000	
(b) Reserves and Surplus	2	58,66,03,385	66,85,03,385	57,74,28,181	65,16,78,181
<b>(2) Non-current Liabilities</b>					
Deferred Tax liabilities (Net)	3		4,48,49,840		4,85,44,784
<b>(3) Current Liabilities</b>					
(a) Trade Payables	4	25,80,012		8,88,85,32	
(b) Other current liabilities	5	1,40,10,103		5,62,30,552	
(c) Short-term provisions	6	6,68,626	1,72,58,741	49,43,626	7,00,62,710
<b>TOTAL</b>			<b>73,06,11,966</b>		<b>77,02,85,675</b>
<b>II. ASSETS</b>					
<b>(1) Non-current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets		32,86,58,121		34,05,18,872	
(ii) Intangible assets		16,12,985		17,26,690	
(iii) Capital work-in-progress	8	10,87,82,085		8,74,17,852	
			43,90,53,191		42,96,63,414
(b) Non-current Investments	9		-		-
<b>(2) Current Assets</b>					
(a) Current Investments	10	10,24,21,058		13,12,63,209	
(b) Trade Receivables	11	12,71,66,740		3,25,55,675	
(c) Cash and Cash equivalents	12	1,87,78,778		84,50,613	
(d) Short-term loans and advances	13	3,86,38,561		4,03,04,578	
(e) Other current assets	14	45,53,638	29,15,58,775	12,80,48,186	34,06,22,261
<b>TOTAL</b>			<b>73,06,11,966</b>		<b>77,02,85,675</b>

Significant Accounting Policies  
and Other Notes

20

The notes referred to above form an integral part of the Balance Sheet.

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

**K. K. SINGHAL**

Partner M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 29th May, 2014

**SUNIL G. SOMANI**

G. M. Finance & Company Secretary

**S. K. JALAN**

Managing Director

**V. VANCHI**

Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

	Note No.	31.03.2014		31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>I Revenue from Operations</b>	15		<b>1,81,26,924</b>		2,71,22,118
<b>II Other Income</b>	16		<b>1,26,42,468</b>		2,85,41,254
<b>III Total Revenue (I+II)</b>			<b><u>3,07,69,392</u></b>		<u>5,56,63,372</u>
<b>IV EXPENSES :</b>					
Employee Benefits Expense	17		<b>41,89,550</b>		50,61,280
Finance Costs	18		<b>2,47,212</b>		69,338
Depreciation and Amortisation Expense	7		<b>1,16,11,672</b>		1,17,23,865
Other Expenses	19		<b>1,35,08,143</b>		1,63,91,600
<b>Total Expenses</b>			<b><u>2,95,56,577</u></b>		<u>3,32,46,083</u>
<b>V Profit before exceptional and extraordinary items and Tax (III-IV)</b>			<b>12,12,815</b>		2,24,17,289
<b>VI Exceptional Items</b> (refer note in 6(vi) Note 20)			<b><u>1,12,360</u></b>		<u>-</u>
<b>VII Profit before extraordinary items and tax (V-VI)</b>			<b>11,00,455</b>		2,24,17,289
<b>VIII Extraordinary Items</b>			<b><u>-</u></b>		<u>-</u>
<b>IX Profit before tax (VII + VIII)</b>			<b>11,00,455</b>		2,24,17,289
<b>X Tax Expense :</b>					
1. (a) Current Year			<b>2,25,000</b>		45,00,000
(b) Relating to Prior Year (refer note (a) in Note 18)			<b>(14,805)</b>		(1,430)
(c) Net Current tax expense			<b><u>2,10,195</u></b>		<u>44,98,570</u>
2. Deferred Tax			<b><u>36,94,944</u></b>		<u>(32,68,559)</u>
<b>XI Profit for the Year (IX-X)</b>			<b>45,85,204</b>		2,11,87,278
<b>XII Earnings per equity share</b> (Basic and Diluted)	20 (7)		<b>0.56</b>		2.85
Significant Accounting Policies and Other Notes	20				

The notes referred to above form an integral part of the Statement of Profit and Loss.

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

**K. K. SINGHAL**

Partner M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 29th May, 2014

**SUNIL G. SOMANI**  
G. M. Finance & Company Secretary

**S. K. JALAN**  
Managing Director

**V. VANCHI**  
Director

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		31.03.2014 Rs.	31.03.2013 Rs.
<b>NOTE 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised:</b>			
1,60,00,000	Equity shares of Rs.10/- each	<b>16,00,00,000</b>	16,00,00,000
4,00,000	Cumulative Redeemable Preference Shares of Rs.100/- each	<b>4,00,00,000</b>	4,00,00,000
		<u><b>20,00,00,000</b></u>	<u>20,00,00,000</u>

**ISSUED, SUBSCRIBED AND PAID-UP**

81,90,000	(P.Y. 74,25,000) Equity shares of Rs.10/- each	<u><b>8,19,00,000</b></u> (a)	<u>7,42,50,000</u>
a)	Includes 7,65,000 Equity Shares of Rs. 10/- each allotted on 29th March, 2014 at a Premium of Rs. 6/- aggregating to Rs. 1,22,40,000/- to a Promoter group Company on preferential basis, ranking pari passu with the existing Equity Shares. Such Equity Shares issued during the year are pending for listing on BSE, where the Company's shares are listed.		
b)	<b>Terms/rights attached to Equity Shares</b>		
	The Company has only one class of Equity Shares having a par value of Rs. 10/- per Share. Each holder of equity share is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Share holders in the Annual General Meeting. (also refer note (a) above).		
c)	Details of shareholders holding more than 5% shares in the Company's Equity shares of Rs. 10/- each fully paid up. Such details are subject to confirmations of respective parties.		

Name of Shareholders	31.03.2014		31.03.2013	
	No. of Shares	% Held	No. of Shares	% Held
Shree Durga Agencies Ltd.	<b>13,08,170</b>	<b>15.97</b>	13,08,170	17.62
Supriya Finance Ltd.	<b>8,79,423</b>	<b>10.74</b>	8,79,423	11.84
Nirvan Commercial Company Ltd.	<b>6,54,465</b>	<b>7.99</b>	6,54,465	8.81
Maryada Advisory Services Pvt. Ltd.	<b>12,32,457</b>	<b>15.06</b>	4,67,457	6.29
Williamson Magor & Co. Ltd.	<b>8,55,000</b>	<b>10.44</b>	8,55,000	11.51
Nitya Holdings & Properties Pvt. Ltd.	-	-	3,93,180	5.29

d) Reconciliation of number of Shares outstanding at the beginning and at the end of the year.

	31.03.2014 Rs.	31.03.2013 Rs.
Equity Shares at the beginning of the year	<b>74,25,000</b>	74,25,000
Add: Shares issued during the year	<b>7,65,000</b>	-
Shares at the end of the year	<b>81,90,000</b>	74,25,000

	31.03.2014		31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 2</b>				
<b>RESERVES AND SURPLUS:</b>				
<b>Capital Reserve</b>				
State Subsidies				
As per last Account (a)		19,76,000		19,76,000
<b>Preference Share Capital Redemption Reserve</b>				
As per last Account		3,91,22,000		3,91,22,000
<b>Securities Premium Reserve</b>				
Share Premium				
Additions during the year		45,90,000		–
<b>Other Reserves</b>				
General Reserve:				
As per last Account		13,47,50,391		13,47,50,391
<b>Surplus in the Statement of Profit and Loss</b>				
As per Last Account	40,15,79,790		38,03,92,512	
Add: Profit for the year	45,85,204	40,61,64,994	2,11,87,278	40,15,79,790
		<u>58,66,03,385</u>		<u>57,74,28,181</u>

(a) Relates to chemical division, Tuticorin, sold in an earlier year. Pending transfer to proper account.

**NOTE 3****DEFERRED TAX LIABILITIES (NET)****Deferred Tax Liabilities**

Difference between book and tax depreciation	4,48,55,680		4,85,44,784	
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**Deferred Tax Assets**

Disallowances u/s 43B	5,840	4,48,49,840	–	4,85,44,784
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**NOTE 4****TRADE PAYABLES (a)(b)**

25,80,012

88,88,532

a) The Management has certified that the company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure, if any, required to be made under said Act could not be complied and disclosed.

b) Also refer Note 1(vii)(g) in Note 20.

	31.03.2014 Rs.	31.03.2013 Rs.
<b>NOTE 5</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
For water charges (P.Y. Land and Water charges) to Gujarat Industrial Development Corporation	49,78,801	4,65,90,433
Unpaid Dividend Accounts(As per Contra)	26,59,362 (a)	33,11,575 (a)
Preference Share Redemption Account	60,00,000 (c)	60,00,000 (c)
Expenses Payable	3,69,940	2,51,537
Statutory Dues	2,000	77,007
	<u>1,40,10,103 (b)</u>	<u>5,62,30,552 (b)</u>

- a) The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.(also refer Note 6(v) in Note 20).
- b) Also refer Note 1(viii)(g) in Note 20.
- c) Represents redemption amount, issued cheque returned, lying unpaid due since accounting year ended 31.03.2012, considered by the management as "Other Current Liabilities"

**NOTE 6****SHORT TERM PROVISIONS**

Employee Benefits	4,23,797	4,23,797
Income Tax (a)	2,44,829	45,19,829
	<u>6,68,626 (b)</u>	<u>49,43,626</u>

- a) Includes Rs.19,829/- pending reconciliation and adjustments.
- b) Due since accounting year ended 31.3.2012, considered by the management as "Short Term provisions".

**NOTE - 7**  
**FIXED ASSETS**  
**(FIGURES IN RUPEES)**

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION		NET BLOCK			
	As at 01.04.2013	Additions	Adjustments/ Deductions	As at 31.03.2014	As at 01.04.2013	Provided during the year	Adjustments/ Deductions	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>									
Freehold Land and Development	49,00,000	-	-	49,00,000	-	-	-	49,00,000	49,00,000
Leasehold Land and Development(a)	18,44,30,489	-	-	18,44,30,489	-	-	-	18,44,30,489	18,44,30,489
Wind Mills	20,95,59,442	-	-	20,95,59,442	6,07,40,030	1,10,64,739	-	13,77,54,673	14,88,19,412
Office Equipments (including air conditioners)	3,03,250	1,21,000	-	4,24,250	27,124	42,679	-	69,803	3,54,447
Furniture & Fittings	1,35,315	57,250	-	1,92,565	11,535	53,816	-	65,351	1,27,214
Vehicles	25,55,818	-	11,14,152	14,41,666	5,86,753	2,01,901	4,38,286	3,50,368	10,91,298
Sub Total	40,18,84,314	1,78,250	11,14,152	40,09,48,412	6,13,65,442	1,13,63,135	4,38,286	7,22,90,291	32,86,58,121
<b>Intangible Assets</b>									
Computer Software	23,89,530	-	-	23,89,530	23,89,530	-	-	23,89,530	-
CDM-PROJECT	24,31,811	1,34,832	-	25,66,643	7,05,121	2,48,537	-	9,53,658	16,12,985
Sub Total	48,21,341	1,34,832	-	49,56,173	30,94,651	2,48,537	-	33,43,188	16,12,985
Total (As at 31.03.2014)	40,67,05,655	3,13,082	11,14,152	40,59,04,585	6,44,60,093	1,16,11,672	4,38,286	7,56,33,479	33,02,71,106
Total (As at 31.03.2013)	22,28,49,525	18,57,68,403	19,12,273	40,67,05,655	5,36,62,615	1,17,23,865	9,26,387	6,44,60,093	42,96,63,414

a) Land allotted by GIDC (Gujrat Industrial Development Corporation) vide Offer-cum-Allotment letter on Licence basis on a lease of ninety nine years for which a lease deed is to be executed on fulfilment of terms and conditions contained in the Agreement.

**31.03.2014**  
**Rs.**

**31.03.2013**  
**Rs.**

**NOTE 8**

**CAPITAL WORK-IN-PROGRESS**

**Expenses considered by the Company as being  
Project and Pre-Operative Expenditure  
(Pending allocation to Fixed Assets)**

Opening Balance (Expenditure upto 31.03.2013)	<b>8,74,17,852</b>	-
Professional Charges	<b>73,20,284</b>	4,05,04,477
Paid to Gujarat Industrial Development Corporation	<b>29,16,971 (a)</b>	1,20,97,933 (a)
Paid to Gujarat Industrial Development Corporation - Interest	<b>36,43,597</b>	2,73,95,786
Travelling and Conveyance Expenses	<b>5,47,655</b>	6,15,783
Salaries and Wages etc.	<b>56,72,805</b>	52,29,411
Retainership and Trainee Expenses	<b>3,39,842</b>	7,01,720
Petty Expenses	<b>3,95,886 (b)</b>	3,86,808 (b)
Rent Paid	<b>4,09,500</b>	2,55,000
Miscellaneous Expenses	<b>1,17,693</b>	80,934
Gujarat Pollution Control Board	-	1,50,000
	<u><b>10,87,82,085</b></u>	<u><b>8,74,17,852</b></u>

(a) Includes Rs.377/- (P.Y. Rs.1,131/-) Lease Rent and interest Rs. 3,50,771/- (P.Y. Rs. 4,79,936/-), infrastructure Fund Rs. 25,65,823/- (P.Y. Rs.1,16,16,866/-) and Service and Other Charges.

(b) Includes Salaries and wages etc, conveyance expenses, telephone and other expenses amounts whereof not separately ascertained by the management and hence not stated.

<b>31.03.2014</b>		<b>31.03.2013</b>	
<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>

**NOTE 9**

**NON-CURRENT INVESTMENTS**

Investments in Equity (Instruments) Shares (Associate)

Other than trade(Long Term) (At cost)

**Unquoted:**

75,000 Equity Shares of Rs.10/- each fully  
paid up of Kilburn Software Technologies  
India Limited.

	<b>7,50,000</b>		7,50,000
Less: Provision for diminution in value	<b>7,50,000</b>	-	7,50,000
a) Aggregate amount of unquoted investments	<u><b>7,50,000</b></u>		<u>7,50,000</u>
b) Aggregate Provision for diminution in value of investments	<u><b>7,50,000</b></u>		<u>7,50,000</u>

	<b>31.03.2014</b>		<b>31.03.2013</b>	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 10</b>				
<b>CURRENT INVESTMENTS</b>				
(At Cost)				
Investments in Mutual Funds - Quoted Fully Paid Up 440329.450 Units of 1525 - ICICI Prudential Flexible Income Plan Premium - Growth	<b>8,42,15,664</b>	<b>(a)</b>	8,42,15,664	(a)
283380.888 Units (P.Y. 1245125.212 Units) of 1543- ICICI Prudential Floating Rate Plan D - Growth	<b>1,82,05,394</b>	<b>10,24,21,058</b>	4,70,47,545	13,12,63,209
Aggregate Amount of Quoted Investments		<b>10,24,21,058</b>		13,12,63,209
Market Value of Quoted Investments		<b>12,54,62,103</b>		14,57,11,968

a) Brought forward since accounting year ended 31.03.2012, considered by the management as "Current Investments".

**NOTE 11**

Trade Receivables(c)  
(Unsecured, Considered good by the Management )

Outstanding for a period exceeding six months	<b>12,37,05,341</b>	<b>(a) (b)</b>	2,85,27,306	(b)
Others	<b>34,61,399</b>	<b>12,71,66,740</b>	40,28,369	3,25,55,675

a) Includes Rs.11,14,08,910/-receivables in respect of "Commodity Account Receivable" (grouped in previous year under "Other Current Assets" in Note 14) due for more than one year, not provided for (refer note 3 in Note 20)

b) Includes Rs. 41,44,845/- (P.Y. Same amount) due from a related party.

c) Refer Note 2 in Note 20.

**NOTE 12**

**CASH AND CASH EQUIVALENTS**

Balances with Banks -				
On Current Accounts (a)	<b>1,48,34,444</b>	<b>(d)</b>	39,35,148	
On Unpaid Dividend Accounts (As per Contra)	<b>26,59,362</b>		33,11,575	
On Fixed Deposits (b)(c )	<b>12,75,250</b>		11,79,224	
Cash in hand (as certified)	<b>9,722</b>		24,666	
	<b>1,87,78,778</b>		<b>84,50,613</b>	

a) Includes Rs. 5,701/- on no lien account.

b) Fixed Deposit receipts lodged with various Government agencies as security for which confirmation certificates were not available for Auditors inspection.

c) In view of Note (b) amount with more than 12 months maturity, if any could not be ascertained and therefore not disclosed separately, as required under Schedule VI to the Companies Act, 1956 and it has not been possible to ascertain the period of Fixed Deposits and the dates of maturity.

(d) Excluding cheques issued but not presented Rs. 8,66,860/-.



	31.03.2014		31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 13</b>				
<b>SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured, Considered good by the Management)				
Loan to a Related Party (a)(b)		<b>2,75,01,331</b>		2,75,01,331
<b>OTHERS</b>				
Advance payments of Income Tax	<b>20,00,000</b>		55,00,000	
Income Tax Refundable	<b>8,57,541</b>		23,432	
Tax deducted at source	<b>10,321</b>		–	
Advances against rent to related apties	<b>1,05,000 (d)</b>		–	
Advances to Employees	<b>33,187 (c)</b>		1,10,687 (c)	
Prepaid Expenses	<b>31,98,853</b>		31,59,485	
<b>Deposits</b>				
To Related Parties (g)	<b>90,000</b>			
To Others	<b>1,44,594</b>	<b>2,34,594</b>	2,20,594	
Service Tax Receivable		<b>45,43,534 (e)</b>	36,33,249	
Others		<b>1,54,200 (e)</b>	1,55,800	1,28,03,247
		<b>3,86,38,561 (f)</b>		<b>4,03,04,578</b>

a) Details are as under : M/s Kilburn Office Automation Ltd.

b) Balance amount of Loan outstanding since accounting year 31.03.2012 or earlier without any transactions, not provided for, considered by the management as “Short Term”. (also refer Note 2 and Note 11 in Note 20)

c) Includes Rs. 33,187/- (P.Y. 11,087/-) due by an officer of the Company.

	31.03.2014	31.03.2013
	Rs.	Rs.

d) Details are as under:

Mr. B. P. Jalan	<b>80,000</b>	–
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M/s. Bajarang Prasad & Son (HUF)	<b>25,000</b>	–
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e) Includes Rs. 39,84,043/- due for more than one year, not provided for, considered by the management as “Short Term”.

f) Refer Note 2 in Note 20.

g) Details are as under:

Mr. B. P. Jalan	<b>48,000</b>	48,000
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M/s. Bajarang Prasad & Son (HUF)	<b>42,000</b>	42,000
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	31.03.2014 Rs.	31.03.2013 Rs.
<b>NOTE 14</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, Considered good by the Management)		
Exports benefits receivable	4,63,033	4,63,033
Income Tax Refundable	24,81,742	24,81,742
Sales Tax Refundable	14,62,540	14,62,540
Commodity Account Receivable	-	12,34,94,548
Interest Receivable on security deposits	1,46,323	1,46,323
	<u>45,53,638 (a)</u>	<u>12,80,48,186</u>

a) Outstanding since accounting year ended 31.03.2012 or earlier, without any transactions, not provided for, considered by the management as "Current Assets". (also refer Note 2 in Note 20).

**NOTE 15**
**REVENUE FROM OPERATIONS**

Sale of Products		
Windmill Power Sales	1,81,26,924	2,71,22,118
	<u>1,81,26,924</u>	<u>2,71,22,118</u>

**NOTE 16**
**OTHER INCOME**

Interest Income (On Deposits with Banks)	1,10,100	2,09,337
Income on Sale of Import Licence (relating to earlier year)	-	2,07,201
Gain on Sale of Current Investments (Mutual Fund Units)	51,57,849	1,81,69,545
Profit on Commodity Transactions (refer note 3 in Note 20)	73,45,422	98,15,171
Excess Provision of TDS written back	297	-
Refund of Charges from bank	-	1,40,000
Realisations on sale of scrap and residual materials	24,000	-
Refund of Guarantee premium paid to ECGC (relating to earlier years)	4,800	-
	<u>1,26,42,468</u>	<u>2,85,41,254</u>

	31.03.2014 Rs.	31.03.2013 Rs.
<b>NOTE 17</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Bonus and exgratia etc.	41,18,520	49,42,303 (a)
Staff Welfare Expenses	71,030	1,18,977
	<u>41,89,550</u>	<u>50,61,280</u>

a) Included Rs. 5,00,000/- disputed labour demands relating to earlier years.(also refer Note 1 (viii)(f) in Note 20)

**NOTE 18**
**Finance Costs**

Interest Expense		
On late payment of Statutory dues	57,369	-
On Income Tax	1,80,696 (a)	-
	<u>2,38,065</u>	<u>-</u>
Other Borrowing Costs		
Bank Charges	9,147	69,338
	<u>2,47,212</u>	<u>69,338</u>

(a) This amount has not been regrouped with the amount of tax expense relating to earlier year in Statement of Profit and Loss. Due to this the Profit before tax and the tax expense for prior year has been shown lesser by Rs. 1,80,696/-.However, there has been no change in Profit after tax.

	31.03.2014 Rs.	31.03.2013 Rs.
<b>NOTE 19</b>		
<b>OTHER EXPENSES</b>		
Rent	18,34,292	18,65,293
Insurance	77,739	99,001
Rates and Taxes	85,755	2,04,337
Packing and Forwarding Charges	34,025	26,41,479 (a)
Miscellaneous Expenses	9,64,580	8,61,765
Payment to Auditors (Refer note 6(ii) in Note 20)	3,67,416	3,83,835
Wind Mills Maintenance and Other Charges	48,89,346	51,87,883
Vehicle Maintenance	3,84,671	5,75,326
Loss on Sale of Fixed Assets	5,00,866	3,10,886
Professional Charges	8,27,439	11,32,526
Travelling and Conveyance Expenses	18,13,794 (b)	19,63,314 (b)
Sundry Expenses	3,77,009 (c)	2,86,094 (c)
Postage and Courier charges	2,63,552	1,62,899
Printing and Stationery	4,97,488	2,15,602
Security and other charges	5,90,171	5,01,360
	<u>1,35,08,143</u>	<u>1,63,91,600</u>

a) Relating to earlier year.

b) Includes Foreign Exchange/ Currency / travellers cheques purchased Rs.6,86,964/- (P.Y. Rs.5,43,295/-)

c) Includes Salaries etc. Rs.1,50,895/- (P.Y. Rs. 2,02,132/-) and vehicle maintenance expenses Rs.2,02,132/- (P.Y. Rs.1,670/-).

## NOTE 20: SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### (i) Basis Of Preparation Of Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India. The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements are prepared under the historical cost convention on an accrual basis (subject to Note (viii) below).

All the assets and liabilities have been classified by the company as current or non current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

#### (ii) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

#### (iii) Fixed Assets and Depreciation

##### a. Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost (net of CENVAT, VAT and Service Tax credits) is inclusive of freight, duties and levies and any directly attributable cost of bringing the assets to their working condition for intended use. Interest and other borrowing costs on borrowed funds, wherever applicable, used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised and included in the cost of the asset.

##### b. Depreciation on Tangible Assets –

- (i) The cost of leasehold land and development is to be amortised yearly over the balance period of the lease proportionately from the date of commercial production.
- (ii) Depreciation on other fixed assets is provided pro-rata to the period of use on straight line method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.
- (iii) Assets of value not exceeding Rs. 5,000/- are fully depreciated in the period of purchase.

##### c. Intangible Assets and Amortisation of Intangible Assets

- (i) Computer Software is recognized at cost and amortised over a period of five years.
- (ii) The Expenditure incurred on "CDM" project has been considered by the company as "Intangible Assets-CDM Project" and amortised over a period of Ten years (life of the CDM Project) (also refer Note (viii) (e) below).

##### (iv) Investments

Investments that are readily realizable and are intended by the management to be held for not more than one year from the date, on which such investments are made are classified as current investments (also refer Note (a) in Note 10). All other investments are classified as non-current investments. Current investments are carried at cost or fair (market) value whichever is lower. Non-current investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for each investments.

##### (v) Inventories

The Company had no inventories either as on 31.3.2014 or as on 31.3.2013.

##### (vi) Excise Duty and Cenvat/VAT/Service Tax Credits

Benefits of Cenvat/VAT and Service Tax Credits (to the extent claimed/availed) are accounted for by adjusting to the cost of relative fixed assets/ materials/expenses.

**(vii) Turnover/Sales:**

Windmill power sales is being considered by the management as Revenue from Operations and accordingly disclosed in Note 15.

**(viii) Recognition of Revenue and Expenditure**

(a) Income and Expenditure considered receivable and payable respectively, are accounted for on accrual and prudent basis. (Subject to Notes Below)

(b) Export Benefits – Consideration/Benefits for transfer of DEPB licences and benefits (including for entitlements in hand as on the close of the period and/or to be received) in previous year were accounted for on accrual basis and were being valued at estimated and/or at net estimated realizable value. Adjustments for short/excess realizations, out of Rs. 4,63,033/- outstanding as on 31.3.2014 and brought forward from earlier years are intended to be made on actual dates of realization. No recoveries against such receivable amount was made during the year. As the management considers such amount as fully receivable, no provision has been against such receivable amount. In case there will be any short recovery the results of the company will get affected to that extent.

(c) Interest on refunds of Government dues and disposal of Scrap/residual materials, if any, are intended to be accounted for as and when the amounts are finally determined and /or materials disposed off.

(d) Profit from Commodities (futures) is recognized when payment is due at the end of the settlement period. (also refer Note 3 below).

(e) Self-generated Certified Emission Reductions (CERS) under the Clean Development Mechanism (CDM):

United Nations Framework Convention on Climate Change (UNFCCC) has registered the Company's "CDM" project on 21.04.2009. Considering the "Exposure Draft of Guidance Note on Accounting for self-generated Certified Emission Reductions (CERS)" issued by ICAI, "CERS"/ income are to be recognized in the accounts only when the "CERS" are issued/credited/sold/ certified by "UNFCCC".

(f) Income tax demands of Rs. 93,74,869/- for an earlier year (against which appeals for non allowability of, brought forward losses relating to certain earlier years to such earlier year, are still pending disposal) and compensation and/or disputed labour demands of Rs. 8,12,967/- relating to earlier years had been paid and/or debited to Statement of Profit and Loss during the earlier years. Refunds / reliefs, if any (including interest) against such payments / debits, the amount whereof are not presently ascertainable, are intended to be accounted for as and when the pending appeals / matters are settled and or refunds received.

Income Tax Assessment after financial year 31.3.2011 are still pending. However there are no outstanding demands in respect of such Assessment years.

(g) Adjustments out of Rs. 23,20,012/- included under trade payables and current liabilities and brought forward since earlier year(s) and not since paid/adjusted are intended to be made as and when such amounts are determined.

(h) Interest not adjusted in accounts since 1.4.2012 on loans of Rs. 2,75,01,331/- from a related party is intended to be accounted for on cash basis (also refer notes 2 and 11).

(i) Also refer notes 1(ix), 1(xii) to (xiv), 2, 3 and 11 (iii) below.

**(ix) Retirement benefits (gratuity and leave encashment)**

(a) The management has certified that there is no liability (except as stated under (b) below) for gratuity/retirement benefits/leave encashment benefits as on 31.3.2014 and therefore provisions of Accounting Standard (AS-15) issued by ICAI is not applicable for the year. In absence of evidence the auditors have relied on such certificate of the management.

(b) The liability for gratuity and other retirement benefits etc. payable to the Managing Director and certain other employees for the period upto 31.3.2013 and for the year ended 31.3.2014 has neither been provided nor amount ascertained and stated which is not in accordance to the Accounting Standard (AS-15) issued by ICAI.

- (c) During the year ended 31.03.2013, the company had provided for these liabilities till 14.10.2011. Any future liability in this regard will be accounted for as and when ascertained and paid. The amounts are presently not ascertainable and hence could not be stated.
  - (x) Foreign Currency Transactions
    - (a) There were no foreign currency transactions (either on capital or revenue account) either during this year or in previous Year.
    - (b) The management has certified that there were no outstanding foreign exchange contracts as on 31.03.2014 and as on 31.3.2013.
  - (xi) Borrowing Costs
    - (a) Interest and other costs on borrowed funds, wherever applicable, used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised under respective fixed assets.
    - (b) Other interest and costs incurred on borrowed funds are recognised as expense in the period in which they are incurred.
  - (xii) Taxation
    - (a) Current Tax – Provision for tax Rs. 2,25,000/- (MAT) (P.Y. Rs. 45,00,000/- (MAT) is as estimated and certified by the management and has been made at prevailing tax rates. Adjustments for short/excess provisions will be determined only on filing of Tax return and or assessments are completed.
    - (b) The company is entitled to credit in respect of Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961 for the year as well as for earlier years. However, keeping in view the consideration of prudence and probability of availability/availing the MAT credit (which is based on convincing evidence of realization as envisaged by the Guidance Note issued by ICAI), MAT credits, the amount, whereof is not presently ascertainable, has not been considered by the company.
    - (c) Deferred Tax – The deferred tax liabilities or assets are recognised using current tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realized/adjusted. Such assets/liabilities are reviewed as at each Balance Sheet date, to reassess realizations/liabilities.
  - (xiii) Impairment of Assets

As required by AS-28 issued by The Institute of Chartered Accountants of India, provision for impairment loss of assets is not required to be made as in view of the management, the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet and the auditors have relied on the certificate of the management in this regard. (Subject to Note 2 below).
  - (xiv) Provisions, Contingent Liabilities and Contingent Assets
    - a) Provisions are recognised in respect of obligations where, based on the evidences available and their existence at the Balance Sheet date are considered probable.
    - b) Contingent liabilities are shown by way of Notes on Accounts in respect of obligations where, based on the evidences available, their existence at the balance sheet date are considered not probable.

The management has certified that there are no pending cases /claims against the company by employees, income tax and other government authorities, which need to be disclosed by way of Notes on accounts or need to be provided in Accounts.
    - c) Contingent Assets are neither recognized nor disclosed in Accounts.
2. The management has considered the following amounts outstanding as on 31.03.2014 as good and fully recoverable. In absence of adequate evidences in support of the same, being good, and recoverable the auditors are unable to comment as to the recoverability of such amounts and the same are not provided for in the Accounts.

Nature of Account	Amounts Rs.
a) Trade Receivables (including Rs. 41,44,845/- due from a related party* and brought forward since accounting year ended 31.03.2011 or earlier)	11,55,75,022
b) Loan to a body corporate (related party), outstanding since accounting year ended 31.3.2012 and earlier(also refer Note 1(vii)(h) above and Note 11 below)*	2,75,01,331
c) Service tax receivable (includesRs. 36,33,249/- brought forward from previous year)	45,43,534
d) (i) Exports benefits receivable	4,63,033
(ii) Income tax refundables	24,81,742
(iii) Sales tax refundables	14,62,540
(iv) Interest receivable on Security Deposits	1,46,323

All the above amounts are brought forward from earlier years.

Due to non provisioning of amounts out of above amounts, the profits for the year, the Reserves and Surplus and Assets and Liabilities, are affected to such extent, the amounts whereof have not been ascertained by the management and therefore not stated. \* Accumulated losses of such Company, as per their Audited accounts for the year ended 31.03.2013 are more than fifty percent of the Net Worth of the Company.

3. (a) The company is engaged in activity of purchase/sale of various commodities. A total quantity of 90,294 Bags (P.Y. 5,60,585 Bags) of various commodities have been purchased for Rs. 26,41,40,278/- (P.Y. Rs. 63,95,40,523/-) and 1,33,009 Bags (P.Y. 5,38,070 Bags) have been sold for Rs. 39,49,80,248/- (P.Y. Rs. 58,76,39,922/-) during the year. Gain realized, at the end of settlement period, on such transactions has been considered as profit for the year. Payments (outstanding) made by the company have this year been considered under Trade Receivables in Note 11 (P.Y. under Current Assets in Note 14)
- (b) Bills for purchases of commodities for Rs. 10,05,24,073/- and sales of Commodities of Rs. 8,43,26,022/- and warehouse receipts for stock of such commodities as on 31.3.2014 shown under note 16, under the head "Profit on commodity Transactions" could not be made available for Auditors inspection and verification. The Company has been informed by M/s Aum Commodity Services Pvt. Ltd. vide letter dt. 04.03.2014, the brokers through whom such transactions were done that the invoices against such trade transactions are held at NSEL's end. Regarding physical copies of warehouse receipts the brokers have informed that such receipts were used to be kept by NSEL in their custody for pay-in of commodities towards the sale proceeds. The warehouse receipts serial numbers were provided by NSEL in electronic form through exchange's client wise Delivery Allocation report which are in Company's possession. Such aforesaid invoices and warehouse receipts will be available after payouts are released by the said Exchange.
- (c) Trade Receivables of Rs. 11,14,08,910/- in respect of commodity transactions are still pending realization. This year Rs. 2,19,396/- has been realized against such receivables. The broker through whom such transactions were made has informed that they are continuously pursuing the matter towards recovery of such outstanding amount with NSEL and that the matter is under Judicial Investigation by Forward Market Commission and Economic offence wing etc. Considering the present state of affairs, action taken by the Government and other authorities, the management is confident of recovering such dues over a period of time. Accordingly, against such exposure of Rs. 11,14,08,910/-, no provision has been considered at this stage and such Trade Receivables are shown as good and fully recoverable (also refer note 2 above).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances of Rs. NIL (P.Y. Rs. NIL) is Rs. 7,61,12,142/- (P.Y. Rs 12,62,77,732/-).
5. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provisions for liabilities are adequate and not in excess of the amount reasonably necessary.(also refer Note 2 above)
6. (i) Copies of letters sent by the Company to various parties for confirmation of their balances as at the end of the year and or their accounts for transactions with the company during the year ended 31.03.2014 were not available for Auditors inspection and therefore accounts in respect of Liabilities, Trade Receivables, Loans, Advances and Other Assets are subject to confirmations of respective parties.

(ii) Amount paid/payable to Auditors.

	<b>31.03.2014</b>	31.03.2013
	Rs.	Rs.
a. Statutory Audit fee	<b>2,30,000</b>	2,30,000
b. Tax Audit Fee	<b>45,000</b>	45,000
c. Limited Review of Quarterly Un-audited results	<b>60,000</b>	25,000
d. Certification for Corporate Governance and others	<b>25,000</b>	32,500
e. For reimbursement of expenses	-	10,238
f. Service tax/cess	<b>7,416</b>	41,097
	<b><u>3,67,416 (g)</u></b>	<u>3,83,835</u>

g. Includes Rs.16,854/- (including service tax/cess Rs.1,854/-) relating to earlier year.

(iii) Movements for Provisions for Retirement Benefits

	<b>31.03.2014</b>	31.03.2013
	Rs.	Rs.
Balance as on 1.4.2013/1.4.2012	<b>4,23,797</b>	4,23,797
Additions during the period	-	-
Reversals/adjustments during the period	-	-
Balance as at 31.03.2014/31.3.2013	<b>4,23,797</b>	4,23,797

(iv) The management has certified that there were no period end foreign currency exposures that have not been hedged by derivative instrument or otherwise.

(v) The amount of Rs.6,39,028/- (P.Y. Rs. 6,67,332/-) lying in Unpaid Dividend Account 2005-2006 (P.Y. 2004-2005) of the Company has been transferred to the Investor Education and Protection Fund as per provisions of Section 205C of the Companies Act, 1956 on 17.01.2014 (P.Y. 04.03.2013) against the due date of 4.10.2013 (P.Y. 24.09.2012).

(vi) Exceptional items, as per statement of Profit and Loss represents listing fees paid for proposed listing of 7,65,000 Equity shares (refer note (a) in Note 1) the application for which has been made with BSE LTD. on 16.04.2014. Such amount has been considered as Expenses and Exceptional Item only as per certificate of the management.

7) Earnings per share (EPS)

The numerators and denominators used to calculate basic and diluted earnings per share.

	<b>31.03.2014</b>	31.03.2013
	Rs.	Rs.
(i) Profits (after tax) attributable to the equity share holders (subject to notes on accounts) (A)	<b>Rs. 45,85,205/-</b>	Rs. 2,11,87,279/-
(ii) Basic / weighted average number of Equity Shares outstanding during the year (B)	<b>74,29,192</b>	74,25,000
(iii) Nominal value of Equity Shares	<b>Rs.10/-</b>	Rs.10/-
(iv) Basic and Diluted Earnings per share (A)/(B)	<b>Rs. 0.56 P.</b>	Rs. 2.85 P.

8. Segment Reporting

a) The Company is advised that the activities of the Company in respect of various commodities, as referred to in Note 3 above, do not constitute trading activity in the context of Accounting Standard 17 on "Segment Reporting" and therefore such transactions have not been constituted as "Segment". The Company's operations during the year comprises of only one segment i.e. Windmill Power Sales. The Auditors have relied on the said opinion in this regard.

b) Geographical Segment

The analysis of Geographical Segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows :

- i) Sales within India include Sales to customers located within India.
- ii) Sales outside India include Sales to customers located outside India.

c) Information pertaining to Geographical Segment

(i) Gross Revenue as per Geographical locations

	<b>31.03.2014</b>	31.03.2013
	Rs.	Rs.
Within India(a)	<b>1,81,26,924</b>	2,71,22,118
(a) Represents Wind Turbine Generator (WTG) power sales.		



## KILBURN CHEMICALS LTD.

ii) Fixed Assets as per Geographical locations

The company has common fixed assets for producing goods for domestic as well as overseas market. Hence, segment wise information for fixed assets / additions to fixed assets cannot be furnished.

9. Related Party Disclosures

(Particulars identified by the Company on the basis of information available and have been relied upon by the Auditors)

i) List of related parties :

A. Key Management Personnel and their relatives

- 1) Mr. S. K. Jalan (Managing Director)
- 2) Mr. B. P. Jalan (Father of Mr. S. K. Jalan)
- 3) M/s. Bajarang Prasad & Son (HUF) [Mr. B. P. Jalan (Father of Mr. S. K. Jalan) is Karta]

B. Enterprises over which Key Management Personnel and relatives of such Key Management Personnel exercise significant influence

- 1) Kilburn Office Automation Limited
- 2) Kilburn Software Technologies India Limited
- 3) Shree Durga Agencies Ltd
- 4) Supriya Finance Limited (formerly Buckingham Financial Services Ltd)
- 5) Pushpdant Vyapaar Private Ltd
- 6) Arham Vyapaar Private Ltd.
- 7) Maryada Advisory Services Private Ltd
- 8) Kilburn Pigments Ltd (Name struck off)

ii) Transactions with related parties (Key Management Personnel and relatives of Key Management Personnel)

Nature of Transaction	31.03.2014	31.03.2013
1. Rent paid		
a) Mr. B. P. Jalan	9,60,000	9,60,000
b) M/s Bajarang Prasad & Son (HUF)	3,00,000	3,00,000
2. Managerial Remuneration Mr. Sandeep Kumar Jalan	40,25,792	42,06,130
3. No of Equity Shares held Mr. Sandeep Kumar Jalan	25,255	25,255
4. Loan Given M/s Kilburn Office Automation Ltd.	-	75,00,000
5. Refund of Loan given M/s. Kilburn Office Automation Ltd.	-	75,00,000
6. Loan given outstanding M/s Kilburn Office Automation Ltd.	2,75,01,331	2,75,01,331
7. Interest received / receivable on Loan (refer note 1(vii)(h) above) M/s. Kilburn Office Automation Ltd.	-	-
8. Purchase of Fixed Assets M/s Kilburn Office Automation Ltd.	1,78,250	-
9. Expenses Reimbursed M/s. Kilburn Office Automation Ltd.	-	8,208
10. Outstanding Trades Receivables M/s Kilburn Office Automation Ltd.	41,44,845	41,44,845
11. Outstanding Investments M/s Kilburn Software Technologies India Ltd.	7,50,000	7,50,000
12. Provision for Diminution in value of Investments M/s Kilburn Software Technologies India Ltd.	7,50,000	7,50,000
13. Directors Fees Paid	-	12,000
14. Advances against rent and outstanding Mr. B. P. Jalan M/s. Bajarang Prasad & Son (HUF)	80,000	25,000
15. Deposits against rent and outstanding Mr. B. P. Jalan	48,000	48,000
M/s. Bajarang Prasad & Son (HUF)	42,000	42,000

iii) No amounts were written-off or written-back during the period in respect of debts due from or to related parties.

10) Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956.

	<b>31.03.2014</b>	31.03.2013
	<b>Rs.</b>	Rs.
(i) Expenditure in Foreign Currency		
Travel (purchase of travellers cheques /foreign currencies/ exchange)(as certified)	<b>6,86,964</b>	5,43,295
(ii) Amount remitted during the period in foreign currency on account of dividend:		
(a) Number of Non-Resident Shareholders	<b>24</b>	24
(b) Number of Shares held by them	<b>13,824</b>	13,824
(c) Amount of Dividend Paid (Gross)	-	Rs. 20,736
(d) Year to which Dividend relates	-	31.03.2012

11) (i) The Company had given loans to a body Corporate (related party) from time to time till 31.03.2012 and the outstanding balance of such loan as on 31.03.2013 was Rs. 2,75,01,331/- (Maximum amount Rs. 2,75,01,331/-). Such loan was also outstanding as on 31.03.2014. No interest is being charged on such loans since 01.04.2012 and no recoveries could be made against such outstanding loans during the previous year and this year. However, after negotiations it has now been agreed vide an agreement dated 21.04.14 that the Company will not charge them interest since 01.04.2012 and the said Company will repay the loan amount of Rs. 2,75,01,331/- outstanding as on 31.03.2014 within 4(four) years from the date of agreement dated 21.04.14. The Company has been advised that provisions of section 295 of the Companies Act, 1956 (Corresponding to section 185 of the Companies Act, 2013, applicable since 12.09.2013) are not applicable to such loans.

(ii) The company has been advised that the provisions of Section 372A(3) of the Companies Act, 1956, are not applicable in respect of interest receivable from a related party for the years ended 31.03.2013 and 31.03.2014 being accounted for on cash basis (also refer Note 1(vii)(h) and 11(i) above.

(iii) In respect of excess remuneration of Rs. 6,06,130/- paid to Managing Director in earlier year as referred to in Note 16 in Note 24 in earlier year Accounts, the Company obtained approval of the Shareholders in the Annual General Meeting held on 19th August, 2013 vide Special Resolution approving the remuneration of the Managing Director in pursuance of limit laid out in sub section B of part II of Schedule XIII of the Companies Act, 1956 for the financial year 2012-13 till the remaining period of his tenure to 13.11.2015, subject to the approval of the concerned authorities. However, as the Managing Director has agreed to refund to the Company such excess remuneration of Rs. 6,06,130/-, the Company is not seeking the approval of the concerned authorities.

12) The Company had sold its Chemical Division situated at Tuticorin, Tamilnadu during the year ended 31.03.2012. The Company is now in the process of implementing a Chemical project in Gujarat.

13) The previous year's figures have been regrouped, rearranged and recasted wherever considered and found necessary to conform with this year's classification.

**14. CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED 31ST MARCH, 2014**

	31.03.2014 Rs.	31.03.2013 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and extraordinary Items	12,12,815	2,24,17,289
Adjustments for:		
Depreciation	1,16,11,672	1,17,23,865
Interest received	(1,10,100)	(2,09,337)
Interest paid	2,38,065	-
Loss on assets sold	5,00,866	3,10,886
Exceptional & Extraordinary Items	<u>(1,12,360)</u>	<u>-</u>
Operating Profit before Working Capital Changes	1,33,40,958	3,42,42,703
Adjustments for:		
Trade and other receivables	3,25,59,821	(6,06,62,221)
Trade payables and other liabilities	<u>(4,85,28,969)</u>	<u>5,30,32,324</u>
Cash Generated from Operations	(26,28,190)	2,66,12,806
Taxes Paid	<u>(64,95,516)</u>	<u>(71,93,681)</u>
Net cash from operating Activities	<u>(91,23,706)</u>	<u>1,94,19,125</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets / Capital work in progress	(2,16,77,315)	(14,76,49,490)
Sale of Fixed Assets	1,75,000	6,75,000
Acquisition of Investments	2,88,42,151	14,38,30,456
Interest Received	<u>1,10,100</u>	<u>2,09,337</u>
Net Cash used in Investing Activities	<u>74,49,936</u>	<u>(29,34,697)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from share capital	76,50,000	-
Share premium	45,90,000	-
Interest paid	(2,38,065)	-
Dividend paid ( including dividend tax )	-	(1,51,41,844)
Net Cash used in Financing Activities	<u>1,20,01,935</u>	<u>(1,51,41,844)</u>
Net Increase / (Decrease) in Cash & Cash equivalents	1,03,28,165	13,42,584
Cash & Cash equivalents at start of year	84,50,613	71,08,029
Cash & Cash equivalents at close of year	1,87,78,778	84,50,613

**Notes:**

- (1) The above statement is subject to and read together with the notes and observations on Accounts and Schedules attached thereto.
- (2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- (3) Cash & Cash equivalents at start and close of year includes balances on unpaid dividend accounts.
- (4) Previous year's figures have been regrouped, rearranged and recasted wherever found necessary.

This is the Cash Flow Statement referred to in our Report of even date.

Signatures to Notes "1" to "20"

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

*Chartered Accountants*

Firm Registration No. 302201E

**K. K. SINGHAL**

*Partner* M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 29th May, 2014

**SUNIL G. SOMANI**

*G. M. Finance & Company Secretary*

**S. K. JALAN**

*Managing Director*

**V. VANCHI**

*Director*

**KILBURN CHEMICALS LTD.**

“Shantiniketan”, 16th Floor  
8, Camac Street, Kolkata 700 017

Dear Shareholder,

**Sub: Green Initiative**

Ministry of Corporate Affairs (MCA) has recently issued Circulars regarding ‘Green Initiative’ in Corporate Governance by allowing paperless compliances by serving documents through electronic mode. Accordingly, we propose to send all future shareholders’ communications like Notices, Company’s Annual Reports etc. through electronic mode. This will ensure prompt receipt of communication, avoid loss in postal transit and most importantly, will enable your Company to help in conservation of forest resources.

If you are holding shares in electronic form, we would request you to register your e-mail address with your Depository Participant at the earliest, in case you have not already done so. You are also requested to intimate to the Depository Participant the changes, if any, in your registered addresses, e-mail id and/or changes in your bank account details. You are not required to re-register unless there is a change in your e-mail address etc.

If you are holding shares in Physical form, you may kindly provide your e-mail address to our Registrar & Share Transfer Agents at the following address for receiving the documents in electronic mode.

**Maheshwari Datamatics Private Limited**  
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)  
2nd Floor, Kolkata 700 001  
Phone: +91 (033) 2243-5809/5029, 22482248  
Fax No: +91 33 22484787  
E-mail: mdpl@cal.vsnl.net.in/mdpldc@yahoo.com

We appreciate the ‘Green Initiative’ taken by MCA and trust you would help in implementing the e-governance initiative of the Government.

With best wishes,

Thanking you,  
Yours faithfully,

**KILBURN CHEMICALS LTD.**  
**S. K. JALAN**  
MANAGING DIRECTOR

----- ✂ ----- ✂ -----  
The Director  
Maheshwari Datamatics Private Limited  
Unit: Kilburn Chemicals Ltd.  
6, Mangoe Lane, Surendra Mohan Ghosh Sarani  
2nd Floor, Kolkata 700 001

**Sub: E-mail updation**

Dear Sir,

In view of the MCA Circulars bearing no. 17/2011 dated 21st April 2011 and No. 18/2011 dated 29th April 2011 I, ....., Son of/Daughter of/Wife of ..... holding ..... shares of ..... (‘the Company’) bearing Folio No. .... /DP ID ..... Client Id ..... do hereby wish to receive all future communications/requisite documents of the Company at the following E-mail id:

E-mail id : .....

You are requested to please update the same in your Book of Records.

Signature:-

**Name of Sole/First holder**

**Name of second holder**

**Name of Third holder**

*If undelivered please return to :*

**MAHESHWARI DATAMATICS PVT. LTD.**

Unit : Kilburn Chemical Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001