



Date: 13.09.2017

DCS-CRD  
The Mumbai Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001.

SCRIP Code- 524699

Dear Sir,

**SUB: ANNUAL REPORT OF KILBURN CHEMICALS LTD IN TERMS OF REGULATION 34 OF THE LISTING (OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015 REGULATION**

Please find enclosed Annual Report of Kilburn Chemicals Ltd as per regulation 34 of the LODR, 2015, for the 27<sup>th</sup> Annual General Meeting of the Company which was held on 08<sup>th</sup> September, 2017 and for the financial year ended 31.03.2017.

This is for your information and record purpose

Thanking you

Yours faithfully

FOR KILBURN CHEMICALS LTD

*MUKESH SHARMA*  
MUKESH SHARMA  
COMPANY SECRETARY



**KILBURN CHEMICALS LTD.**

**ANNUAL  
REPORT  
AND  
ACCOUNTS  
2016-2017**

*If undelivered please return to :*

**MAHESWARI DATAMATICS PVT. LTD.**

**Unit : Kilburn Chemicals Ltd.**

23, R.N. Mukherjee Road, 5th Floor

Kolkata - 700 001

**DIRECTORS**

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

**C.E.O.**

A. DUTTA

**C.F.O.**

S. SOMANI

**C.S.**

M. SHARMA

**BANKERS**

BANK OF BARODA  
STATE BANK OF INDIA

**AUDITORS**

V. SINGHI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
KOLKATA

**REGISTERED &  
CORPORATE OFFICE**

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

**REGISTRARS &  
SHARE TRANSFER AGENTS**

MAHESHWARI DATAMATICS PVT. LTD.  
23, R.N. MUKHERJEE ROAD, 5TH FLOOR  
KOLKATA-700 001.  
PHONE NO. (033)-2243-5809 / 5029  
FAX NO.(033)-2248-4787  
E-MAIL : mdpldc@yahoo.com

**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2017.

**FINANCIAL HIGHLIGHTS**

(Rs. In lacs)

	<b>2016-17</b>	<b>2015-16</b>
Total Revenue	1.25	107
Gross Operating Profit	28.24	462
Depreciation for the year	5.12	45
Profit/ (Loss) Before Extraordinary items and Tax	23.11	417
Profit Before Tax (PBT)	23.11	417
Provision for Tax including Deferred Tax	9.71	(64)
Net Profit After Tax (PAT)	13.41	480
Add : Surplus / Loss brought forward from previous year	4568	4088
Profit available for Appropriation	4581	4568
Balance carried forward	4581	4568

**GENERAL REVIEW OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

During the year under review the Company has achieved turnover of Rs.1.25 lacs on sales of product on trial run basis as compared to last year turnover Rs 107 lacs revenue came from its Wind Mill Division hence the result is not comparable. Company has reported profit after tax including deferred tax Rs.13.41 lacs as compared to Rs 417 lacs last year (which include the profit on sales of Wind Mill Division) hence not comparable. The Company has started setting up a new project for manufacturing Titanium Dioxide at Gujarat (for more Details please refer to future outlook).

**FUTURE OUTLOOK**

Your Directors are pleased to report on-schedule progress in the new Project for production of both Anatase and Rutile grade of Titanium Dioxide (annual capacity of 15000 tons) at Dahej, Gujarat. During the year under review, extensive progress has been made in civil and structural work and ordering and delivery of key equipments from most-reputed suppliers in each equipment category. Several of the imported equipments have also arrived at the Project site and are in various stages of erection along with electrical cabling and process piping.

The Company has obtained all relevant utility clearances with respect to availability of Water, Electricity and Natural Gas and other necessary regulatory clearances are in order

The Project is on schedule for trial production and commissioning to commence within the second quarter of the 2017-18 financial year.

**EQUITY DIVIDEND**

During the year under review the company is setting up Greenfield Project in Gujarat, Directors felt it prudent to plough back the internal accruals in new project and to skip dividend on Equity Shares for the year.

**TRANSFER TO RESERVES**

During the year under review, your directors do not propose to transfer any amount to any reserve. The

profit/ loss for the year under review has been shown under the head Reserve and surplus.

### **DEPOSITS**

The company has not accepted any deposit from the public and shareholders falling within the ambit of section 73 of the companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014

### **PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS**

Details of Loan, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013, are given in the notes to the financial Statements.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on March, 31, 2017 was Rs 10.13 Crores. During the year under review, the company has allotted 1185000 Equity Shares of Rs 10/- each at a premium of Rs 29/- each share on the option exercised by share warrant holder to convert their Share Warrants into Equity shares on which the company has received 25% of the amount at the time of issue of share warrant and remained 75% of the amount of issued price of Rs 39/ per warrant realized on the allotment of shares. The company has not granted any stock option to employees nor issued any Sweat Equity Shares or buy back of Shares of the Company.

### **EXTRACT OF THE ANNUAL RETURN**

Pursuant to section 92 (3) of the Companies Act 2013 (the Act) and Rules 12 (1) of the Companies (Management and Administration) Rules 2014, The details forming part of the extract of the Annual Return in the form MGT 9 is annexed herewith as annexure no. 1.

### **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Companies Act 2013 (the Act) and accounting standard (AS)-21 on Consolidated Financial Statements read with As -23 on accounting for Investments in Associated and As -27 on financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statement is not applicable to the company as company has no subsidiary, Joint Ventures and Associate company as define in Companies Act, 2013.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The company does not have any Subsidiary, Joint-Venture and Associate Company as per the Companies Act, 2013.

### **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 herewith. The Management Discussion and Analysis Report has not been annexed as the company does not have any business after Wind Mill Division sold.

### **CREDIT RATING**

CARE ( Credit Analysis and Research Ltd) has assigned Triple B Minus (BBB-). rating on the long term bank facilities of the company - The rating is valid for a period of one year.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the company, Shri. V. Vanchi (DIN: 00015985), Director of the company, retire by rotation at the ensuing Annual General Meeting of the company and being eligible has offered himself for re appointment.

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act 2013 and as per Regulation 25 of Listing Obligations and Disclosure Requirements, Regulation 2015 of the Listing Agreement.

Shri Sandeep kumar Jalan – Managing Director of the Company, Shri Ashim Dutta, Chief Executive

officer, Shri Sunil Kumar Somani – Chief Financial Officer and Shri Mukesh Sharma –Company Secretary are Key Managerial Personnel of the company.

#### **PERFORMANCE EVALUATION OF BOARD**

In Compliance with the Companies Act 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review.

More details on the same is given in the Corporate Governance Report.

#### **DETAILS OF BOARD AND COMMITTEE MEETING**

During the year under review, the Board of Directors has met 4 times. Details of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meeting, its members and their attendance and terms of reference has been provided in the Corporate Governance Report.

The company has already framed a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More Details on the same is provided in the Corporate Governance Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that :

- A) In the preparation of the annual accounts for the year ended March 31,2017 , the applicable accounting standards read with requirements set out under Schedule III of the act , have been followed and there are no material departures from the same
- B) The Directors have selected such accounting policies and applied them consistently and made judgments' and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31,2017 and of the profit of the company for year ended on that date,
- C) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- D) The Directors have prepared the annual accounts on a going concern basis.
- E) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively ; and
- F) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **RELATED PARTY TRANACTIONS**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Regulations. There are no materially significant related party transactions made by the company with promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large or which warrants the approval of shareholders. Accordingly no transactions are being reported in Form AOC-2 in terms of section 134 of the act read with Rule -8of the Companies (Accounts)Rules 2014 . However the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtain which are of a repetitive nature.

#### **CORPORATE SOCIAL RESPONSIBLTY**

In line with the provisions laid down under Section 135 of the Companies Act, 2013 and Rules made thereunder, the company has formed the CSR committee on 13.05.2016. CSR committee will decide the

amount to be spent in CSR programs and activities mentioned in Schedule Vii of the Companies Act, 2013

Details of the CSR activities undertaken by the company is annexed to this report as annexure –V

#### **VIGIL MACHANISM POLICY**

The Company has in place a Vigil Mechanism also known as Whistle Blower Policy pursuant to the requirements of the Companies Act 2013 and the Listing Agreement. The Policy empowers all the stakeholders to raise concerns and provided for adequate safeguards . any employee and/or person dealing with the company can make disclosure about any wrong doing in company operations through a e- mail or through telephone or letter to the Chairman of the Audit Committee.

The policy on vigil mechanism or whistle Blower policy may be accessed on the company website at the link [www.kilburnchemicals.com](http://www.kilburnchemicals.com)

#### **POLICY ON NOMINATION AND REMUNERATION**

The Company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The Remuneration Policy for the Directors and senior management employees is given in the Corporate Governance Report.

#### **RISK MANAGEMENT**

The Company has formulated risk management Policy which is well defining mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

On continuous basis risks are indentify by the functional heads and which discussed at various Committee or group level including Audit Committee and Board of Directors and systematically address to mitigate risk.

#### **INTERNAL FINANCIAL CONTROLS**

The company has in place the adequate internal financial controls systems with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness was observed.

#### **AUDITORS AND AUDITORS' REPORT**

M/s. V. Singhi & Associates, Chartered Accountants, the Statutory Auditors of the company o retire at the ensuing Annual General Meeting of the company and are eligible for reappointment. They have furnished certificate regarding their eligibility, pursuant to Section 139(1) of the Companies Act, 2013 and read with relevant Rules. The Board of Directors recommends their re-appointment for one year.

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

The Auditors' Report for FY2016-17 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

Board of directors has reappointed M/S R C Jhawer & Company, Chartered Accountants as Internal Auditors of the company.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Companies Act 2013 read with the Rules thereof, the company has re appointed M/s Sunil kumar Banerjee, Company Secretaries in Practice to undertake the Secretarial Audit of the Company . The Report of Secretarial Auditors is annexed to this report as annexure -2. There are no adverse observation in the Secretarial Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

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



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

The Company has, during the year under review, transferred a sum of Rs.213342.50/- to Investor Education and Protection Fund, in compliance with the provisions of Section 123,124 & 125 the companies Act, 2013. The said amount represents dividend for the financial year 2008-2009 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. Particulars or details of the employees cover under the provisions of Section 197 of the Companies Act, 2013, read with Rules - 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report as annexure-3.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION , FOREIGN EXCHANGE EARNING AND OUT GO**

Statement pursuant to the provisions of section 134 (3)(m) of the Companies Act 2013 read with Rules 8 of the Companies (Accounts) Rules 2014 is annexed herewith as Annexure-4 During the year under review the company is setting up a new plant which has already focused on and matter related to energy saving equipment and latest technology. The further measure will be taken after the commencement of plant.

**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, Bank of Baroda., and State Bank of India. 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.

Place : Kolkata

Date : 19th May, 2017

For and on behalf of the Board,

**S. K. JALAN**

MANAGING DIRECTOR

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**as on the Financial Year ended on 31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

- (i) CIN : L24117WB1990PLC199409
- (ii) Registration Date : 31.08.1990
- (iii) Name of the Company : KILBURN CHEMICALS LTD
- (iv) Category/Sub-Category of the Company : COMPANY LIMITED BY SHARES
- (v) Address of the Registered Office and Contact details : SHANTINIKETAN, 16TH FLOOR  
8,CAMAC STREET, KOLKATA-700017  
WEST BENGAL, Tel : 033-22828501
- (vi) Whether Listed Company : YES/NO : YES
- (vii) Name, Address and Contact details of Registrar & Transfer Agent, if any : MAHESHWARI DATAMATICS PVT.LTD.  
23, R.N. MUKHERJEE ROAD, 5TH FLOOR  
KOLKATA- 700001  
Tel : 033-22435029

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	N A	N A	N A

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	N A	N A	N A	N A	N A

iv(i). **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31st-March-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	25555	0	25555	0.2799	25555	0	25555	0.2477	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4204192	940000	5144192	56.3438	6329192	0	6329192	61.3591	23.0357
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	4229747	940000	5169747	56.6237	6354747	0	6354747	61.6068	22.9218
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	#DIV/0!
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	4229747	940000	5169747	56.6237	6354747	0	6354747	61.6068	22.9218
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	6700	6700	0.0734	0	6700	6700	0.0650	0.0000
b) Banks/FI	0	1000	1000	0.0110	0	1000	1000	0.0097	0.0000
c) Central Govt	100	0	100	0.0011	100	0	100	0.0010	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									

**KILBURN CHEMICALS LTD.**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31st-March-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1):-</b>	100	7700	7800	0.0855	100	7700	7800	0.0757	0.0000
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1726381	17900	1744281	19.1049	1692818	17750	1710568	16.5833	-1.9328
ii) Overseas									
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1018587	862432	1881019	20.6026	991620	854582	1846202	17.8982	-1.8510
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	300471	0	300471	3.2910	358793	0	358793	3.4784	19.4102
<b>c) Others (Specify)</b>									
Non Resident Indians	24122	0	24122	0.2642	25942	0	25942	0.2515	7.5450
Qualified Foreign Investor									
Custodian of Enemy Property Foreign Nationals Clearing Members	2510	0	2510	0.0275	10898	0	10898	0.1057	334.1833
Trusts									
Foreign Bodies-DR									
Foreign Portfolio Investors									

## KILBURN CHEMICALS LTD.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31st-March-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
NBFCs registered with RBI	50	0	50	0.0005	50	0	50	0.0005	0.0000
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total(B)(2):-</b>	3072121	880332	3952453	43.2907	3080121	872332	3952453	38.3176	0.0000
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	3072221	888032	3960253	43.3762	3080221	880032	3960253	38.3933	0.0000
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	7301968	1828032	9130000	100.0000	9434968	880032	10315000	100.0000	12.9792

### iv(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year[As on 01-Apr-2016]			Share holding at the end of the Year [As on 31-March-2017]			% change in share holding during the year	PAN
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares		
1	SHREE DURGA AGENCIES LTD	1308170	14.3283	0.0000	1968170	19.0807	0.0000	50.4522	AAECS0556L
2	M/S SUPRIYA FINANCE LTD	1819423	19.9280	0.0000	1819423	17.6386	0.0000	0.0000	AAPCS8720B
3	MARYADA ADVISORY SERVICES PVT LTD	1232457	13.4990	0.0000	1232457	11.9482	0.0000	0.0000	AACCM0957B
4	NIRVAN COMMERCIAL COMPANY LTD	654465	7.1683	0.0000	654465	6.3448	0.0000	0.0000	AAACN9221F
5	SANDEEP INVESTMENTS LIMITED	129677	1.4203	0.0000	414677	4.0201	0.0000	219.7768	AADCS6054J
6	ARHAM VYAPAAR PVT LTD	0	0.0000	0.0000	240000	2.3267	0.0000	100.0000	AAGCA6925P
7	SANDEEP KUMAR JALAN	25000	0.2738	0.0000	25000	0.2424	0.0000	0.0000	AAFHS4476P
8	SANDEEP KUMAR JALAN	355	0.0039	0.0000	355	0.0034	0.0000	0.0000	ACQPJ4806M
9	DIVYA JALAN	100	0.0011	0.0000	100	0.0010	0.0000	0.0000	ACL PJ1478J
10	ALAKA JALAN	100	0.0011	0.0000	100	0.0010	0.0000	0.0000	ACOPJ4203C
11	ANA VINCOM PVT LTD	0	0.0000	0.0000	0	0.0000	0.0000	65535.0000	AACCA5723F
	<b>TOTAL</b>	<b>5169747</b>	<b>56.6237</b>	<b>0.0000</b>	<b>6354747</b>	<b>61.6069</b>	<b>0.0000</b>	<b>22.9218</b>	

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning [1-4-2016] / end of the year [31-3-2017]		Cumulative Shareholding during the year [1-4-2016] to [31-3-2017]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	NIRVAN COMMERCIAL COMPANY LTD					AAACN9221F
	4/1/2016	654465	7.1683			
	3/31/2017	654465	6.3448	654465	6.3448	
2	MARYADA ADVISORY SERVICES PVT LTD					AACCM0957B
	4/1/2016	1232457	13.4990			
	3/31/2017	1232457	11.9482	1232457	11.9482	
3	SANDEEP INVESTMENTS LIMITED					AADCS6054J
	4/1/2016	129677	1.4203			
	10/02/2017 - Transfer	285000	2.7630	414677	4.0201	
	3/31/2017	414677	4.0201	414677	4.0201	
4	SHREE DURGA AGENCIES LTD					AAECS0556L
	4/1/2016	1308170	14.3283			
	10/02/2017 - Transfer	660000	6.3984	1968170	19.0807	
	3/31/2017	1968170	19.0807	1968170	19.0807	
5	SANDEEP KUMAR JALAN					AAFHS4476P
	4/1/2016	25000	0.2738			
	3/31/2017	25000	0.2424	25000	0.2424	
6	ARHAM VYAPAAR PVT LTD					AAGCA6925P
	4/1/2016	0	0.0000			
	10/02/2017 - Transfer	240000	2.3267	240000	2.3267	
	3/31/2017	240000	2.3267	240000	2.3267	
7	M/S SUPRIYA FINANCE LTD					AAPCS8720B
	4/1/2016	1819423	19.9280			
	3/31/2017	1819423	17.6386	1819423	17.6386	
8	DIVYA JALAN					ACLJP1478J
	4/1/2016	100	0.0011			
	3/31/2017	100	0.0010	100	0.0010	
9	ALAKA JALAN					ACOPJ4203C
	4/1/2016	100	0.0011			
	3/31/2017	100	0.0010	100	0.0010	
10	SANDEEP KUMAR JALAN					ACQPJ4806M
	4/1/2016	355	0.0039			
	3/31/2017	355	0.0034	355	0.0034	

**(iv) Shareholding Pattern of top ten Shareholders**

**(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning [1-4-2016] / end of the year [31-3-2017]		Cumulative Shareholding during the year [1-4-2016] to [31-3-2017]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	A.G. SHARES AND SECURITIES LIMITED #					AAACA7646M
	4/1/2016	26156	0.2865			
	15/04/2016 - Transfer	-4053	0.0444	22103	0.2421	
	29/04/2016 - Transfer	-5000	0.0548	17103	0.1873	
	12/08/2016 - Transfer	-14001	0.1534	3102	0.0340	
	02/09/2016 - Transfer	1487	0.0163	4589	0.0503	
	09/09/2016 - Transfer	350	0.0038	4939	0.0541	
	21/10/2016 - Transfer	-439	0.0048	4500	0.0493	
	23/12/2016 - Transfer	2337	0.0256	6837	0.0749	
	20/01/2017 - Transfer	-1837	0.0201	5000	0.0548	
	10/03/2017 - Transfer	-584	0.0057	4416	0.0428	
	3/31/2017	4416	0.0428	4416	0.0428	
2	MCLEOD RUSSEL INDIA LIMITED					AAACE6918J
	4/1/2016	350000	3.8335			
	3/31/2017	350000	3.3931	350000	3.3931	
3	BABCOCK BORSIG LIMITED					AABCD4477A
	4/1/2016	855000	9.3647			
	3/31/2017	855000	8.2889	855000	8.2889	
4	MAPLE VYAPAAR PRIVATE LIMITED					AABCM8408J
	4/1/2016	18161	0.1989			
	10/03/2017 - Transfer	-500	0.0048	17661	0.1712	
	3/31/2017	17661	0.1712	17661	0.1712	
5	NITYA HOLDINGS & PROPERTIES LTD					AABCN1002B
	4/1/2016	393180	4.3065			
	3/31/2017	393180	3.8117	393180	3.8117	
6	TARZON TRACON PVT LTD					AABCT7675C
	4/1/2016	26398	0.2891			
	3/31/2017	26398	0.2559	26398	0.2559	
7	ANIL KUMAR GOEL					AAJPG2552Q
	4/1/2016	36000	0.3943			
	3/31/2017	36000	0.3490	36000	0.3490	
8	SEEMA GOEL					AHAPG8015A
	4/1/2016	40000	0.4381			
	3/31/2017	40000	0.3878	40000	0.3878	
9	RASHIDA HATIM MIYAJIWALA *					AHLPM5457D
	4/1/2016	20076	0.2199			
	3/31/2017	20076	0.1946	20076	0.1946	
10	J CHENTHILRAJAN					AHZPC0253F
	4/1/2016	30270	0.3315			
	3/31/2017	30270	0.2935	30270	0.2935	

**KILBURN CHEMICALS LTD.**

Sl. No.	Name	Shareholding at the beginning [1-4-2016] / end of the year [31-3-2017]		Cumulative Shareholding during the year [1-4-2016] to [31-3-2017]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
11	SANGEETHA S #					AIJPS3739F
	4/1/2016	36790	0.4030			
	14/10/2016 - Transfer	-36790	0.4030	0	0.0000	
	3/31/2017	0	0.0000	0	0.0000	
12	SRI HARI VEMURI *					ALOPV1083B
	4/1/2016	0	0.0000			
	02/09/2016 - Transfer	7100	0.0778	7100	0.0778	
	09/09/2016 - Transfer	885	0.0097	7985	0.0875	
	16/09/2016 - Transfer	1052	0.0115	9037	0.0990	
	23/09/2016 - Transfer	3996	0.0438	13033	0.1427	
	30/09/2016 - Transfer	221	0.0024	13254	0.1452	
	07/10/2016 - Transfer	412	0.0045	13666	0.1497	
	21/10/2016 - Transfer	239	0.0026	13905	0.1523	
	18/11/2016 - Transfer	1345	0.0147	15250	0.1670	
	25/11/2016 - Transfer	1000	0.0110	16250	0.1780	
	16/12/2016 - Transfer	7900	0.0865	24150	0.2645	
	30/12/2016 - Transfer	4007	0.0439	28157	0.3084	
	06/01/2017 - Transfer	2188	0.0240	30345	0.3324	
	13/01/2017 - Transfer	1000	0.0110	31345	0.3433	
	20/01/2017 - Transfer	2097	0.0230	33442	0.3663	
	27/01/2017 - Transfer	300	0.0033	33742	0.3696	
	03/02/2017 - Transfer	6911	0.0757	40653	0.4453	
	10/02/2017 - Transfer	2260	0.0219	42913	0.4160	
	17/02/2017 - Transfer	7099	0.0688	50012	0.4848	
	24/02/2017 - Transfer	1329	0.0129	51341	0.4977	
	17/03/2017 - Transfer	9093	0.0882	60434	0.5859	
	3/31/2017	60434	0.5859	60434	0.5859	
13	SUBRAMANIAN P					AMBPS8931K
	4/1/2016	49471	0.5419			
	07/10/2016 - Transfer	4275	0.0468	53746	0.5887	
	14/10/2016 - Transfer	36790	0.4030	90536	0.9916	
	21/10/2016 - Transfer	4708	0.0516	95244	1.0432	
	28/10/2016 - Transfer	1940	0.0212	97184	1.0644	
	04/11/2016 - Transfer	1209	0.0132	98393	1.0777	
	11/11/2016 - Transfer	2207	0.0242	100600	1.1019	
	25/11/2016 - Transfer	125	0.0014	100725	1.1032	
	02/12/2016 - Transfer	1220	0.0134	101945	1.1166	
	09/12/2016 - Transfer	955	0.0105	102900	1.1271	
	23/12/2016 - Transfer	500	0.0055	103400	1.1325	
	27/01/2017 - Transfer	67	0.0007	103467	1.1333	
	3/31/2017	103467	1.0031	103467	1.0031	

\*Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

#Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning [1-4-2016] / end of the year [31-3-2017]		Cumulative Shareholding during the year [1-4-2016] to [31-3-2017]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	SANDEEP KUMAR JALAN					AAFHS4476P
	4/1/2016	25000	0.2738			
	3/31/2017	25000	0.2424	25000	0.2424	
2	VARADARAJAN VANCHI					ABSPV5058Q
	4/1/2016	4000	0.0438			
	20/05/2016 - Transfer	-1000	0.0110	3000	0.0329	
	3/31/2017	3000	0.0291	3000	0.0291	

**(vi) INDEBTEDNESS**

**Rs. in Lacs**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i Principal Amount	822.5	NIL	NIL	822.5
ii Interest due but not paid	0.27	NIL	NIL	0.27
iii interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>822.77</b>	<b>NIL</b>	<b>NIL</b>	<b>822.77</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	8177.50	NIL	NIL	8177.50
Redeaction	0.00	NIL	NIL	NIL
<b>Net Change</b>	<b>8177.50</b>	<b>NIL</b>	<b>NIL</b>	<b>8177.50</b>
<b>Indebtedness at the end of the financial year</b>				
i Principal Amount	9000.00	NIL	NIL	9000.00
ii Interest due but not paid	45.42	NIL	NIL	45.42
iii interest accrued but not due	0	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>9045.42</b>	<b>NIL</b>	<b>NIL</b>	<b>9045.42</b>

**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lacs)**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	
		S K Jalan	Total Amount
1	Gross Salary		
	(a) Salary as per Provisions contained in section 17 (I) of the Income Tax Act ,1961	36.00	36.00
	(b) Value of Perquisites u/s 17(2) of Income Tax ,1961	5.02	5.02
	(c) Profit in lieu of Salary under section 17 (3) Income Tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	- as % of Profit	0.00	0.00
5	Others, please specify	0.00	0.00
	Total	41.02	41.02
	Ceiling As per the Act	42.00	42.00

**B. Remuneration to other Directors:**

**(Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. V	Mr. Ranjit	Mr. Anand	Mr. Tushar	Ms. Mamta	
		Vanchi	Chaudhri	Chatrath	M Patel	Kejriwal	
1	Independent Director						
	Fee for attending Board & Committee Meeting	16000	24000	24000	4000	32000	100000
	Commission	0	0	0	0	0	0
	Others, specify	0	0	0	0	0	0
	Total (1)	16000	24000	24000	4000	32000	100000
2	Other Non Executive Director (2)	NA	NA	NA	NA	NA	0
	Total Managerial Remuneration =(1+2)	16000	24000	24000	4000	32000	100000
	Overall Ceiling As per the Act						

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN (Rs. in Lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		C.S.	CFO	CEO	
1	Gross Salary				
	(a) Salary as per Provisions contained in section 17 (I) of the Income Tax Act ,1961	6.82	15.70	70.90	
	(b) Value of Perquisites u/s 17(2) of Income Tax ,1961	0	0	0	
	(c) Profit in lieu of Salary under section 17 (3) Income Tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	- as % of Profit	0	0	0	
5	Others, please specify	0	0	0	
	<b>Total</b>	<b>6.82</b>	<b>15.70</b>	<b>70.90</b>	<b>93.42</b>

**NOTE** The above figures for remuneration are extracted from 16 of the Individual Managerial Personnel and Key Managerial Personnel for the FY 2016-17.

Whereas the figures for the Managerial remuneration in Corporate Governance Report are prepared on the basis of accrual accounting principle and hence are not comparable

**(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ CLB/COURT]	Appeal made, if any (giveDetails)
<b>A. COMPANY</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment	NONE	NONE	NONE	NONE	NONE
Compounding	NONE	NONE	NONE	NONE	NONE
<b>B. DIRECTORS</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment	NONE	NONE	NONE	NONE	NONE
Compounding	NONE	NONE	NONE	NONE	NONE
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NONE	NONE	NONE	NONE	NONE
Punishment	NONE	NONE	NONE	NONE	NONE
Compounding	NONE	NONE	NONE	NONE	NONE

**FORM NO.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH,2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**To,**  
**The Members,**  
**KILBURN CHEMICALS LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KILBURN CHEMICALS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of :-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended in 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952.

7. Employers Liability Act, 1948.
8. Equal Remuneration Act, 1976.
9. Indian Contract Act, 1972.
10. Income Tax Act, 1961 and Indirect Tax Laws.
11. Indian Stamp Act, 1999.
12. Negotiable Instruments Act, 1881.
13. Payment of Bonus Act, 1965.
14. Payment of Gratuity Act, 1972.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The erstwhile Listing Agreement entered into by the Company with the Mumbai Stock Exchange which has been replaced by The Securities & Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations as placed below as **“ANNEXURE-A” (which forms part of the report)**.

**I further report that** the Board of Directors of the Company is constituted with 1 Managing Director, 3 Non-Executive and Independent Directors and 2 Non-Executive and Non-Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**I further report that** during the audit period, there are no instances of:-

- (i) Public/Right/ issue of shares / debentures/sweat equity, etc. \*
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 (1)(c) of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.
- (vi) Issue and Listing of Debt Securities.
- (vii) Delisting of Equity Shares.

\*The Company has issued 11,85,000 Equity Shares of Rs.10/= per share at a Premium of Rs.29/- per share on Cash on Preferential Allotment basis to Promoter Group Companies Pursuant to Section 42 of the Companies Act, 2013, during the year under review by converting share warrants to equity shares raising the paid-up and subscribed Equity Share Capital to Rs.10,31,50,000/= with 1,03,15,000 equity shares of Rs.10= each. 15,40,000 share warrants are pending as at 31st March, 2017 for conversion.

**SUNIL KUMAR BANERJEE**  
**PRACTISING COMPANY SECRETARY**

**FCS No. : 2189**

**C P No. : 4652**

**Place : KOLKATA**

**Date : 19th May, 2017**

**OBSERVATIONS**

- 1 The Company complied with the provisions, rules, regulations guidelines and standards so far as stated and there has been no delay in filing of forms/returns during the year under review. It is however felt that there should be sustained efforts to further strengthen the system.
- 2 Section 203 of the Companies Act, 2013, in regard to the appointment of Key Managerial Personnel (KMP) has been checked. The Company is having one Managing Director, Chief Financial Officer and Company Secretary.  
The Company also appointed one Chief Executive Officer (CEO) during the previous year.
- 3 According to the information and explanations given to me, the Company has not accepted any public deposits pursuant to the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014 during the year under review under audit.
- 4 According to the information and explanations given to me and on checking the records, it was noted that Company had been sanctioned Term Loans amounting to Rs. 83 Crores and Rs.83 Crores by State Bank of India and Bank of Baroda totalling Rs.166 Crores for which Charges were created and filed with MCA during the previous year. However, the Company has been availing the loans as per the requirement from time to time.
- 5 Regulation 27 of the SEBI's (Listing Obligations and Disclosure Requirements), Regulations, 2015, was applicable to the Company during the year under review and the same has been complied with accordingly.
- 6 Since the Company employee strength of the Company increased during the previous year to approximately 26, the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and The Employees Pension Scheme, 1995 became applicable. The compliance to the effect was initiated by the management from March, 2017. The Employees State Insurance Act, 1956 is not apparently applicable during the year under audit.
- 7 Revenue from operation being a meagre amount and wind power generation having been stopped, no specific sector law has been identified.
- 8 The Company has transferred Rs.2,13,343 for the Year 2008-2009 to Investor Education and Protection Fund (IEPF), with a delay of 10 days.
9. (a) Income Tax Demand of Rs.6,25,55,590 for the Assessment year 2012-13 is disputed in Appeal.  
(b) Income Tax Demand of Rs.53,43,330 for the Assessment year 2013-14 is disputed in Appeal.  
(c) Income Tax Demand of Rs.10,48,080 for the Assessment year 2014-15 is disputed in Appeal.
10. An amount of Rs.1,65,19,340 is remaining outstanding towards bank guarantee.
11. An amount of Rs.5,36,22,213 is remaining outstanding towards letter of credit.
12. Against liability of Rs.27,69,230 towards gratuity as on 31st March, 2017, the Company has provided Rs.4,64,346 only. An amount of Rs.23,04,884 is unprovided.
13. As explained and declared by the Management, the Related Party Transactions under Section 177 and 188 of the Companies Act, 2013 have been disclosed as given at note no.33 of the notes to accounts of the financial statements. Outstanding unsecured loan given to a company maintained under Section 189 of the Companies Act, 2013 stood at Rs.2,48,06,627/- as on 31-3-2017, though during the year the Company has not granted any loan- secured or unsecured.
14. It is noted that export obligations in respect of EPCG Licence stands at US \$ 51,61,842.62 which is equivalent to Rs.33,46,86,649/-.
15. Since the Company is not engaged in manufacturing activities during the year under review, the Pollution Control laws are not apparently applicable.

**Place : KOLKATA**  
**Date : 19th May, 2017**

**SUNIL KUMAR BANERJEE**  
**PRACTISING COMPANY SECRETARY**  
**FCS No. : 2189**  
**C P No. : 4652**

**REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES**

As per the provisions of section 197 of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 and amended from time to time .

<b>i The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year</b>	ratio of remuneration to median remuneration of employees for 2016-17
Managing Director Shri Sandeep Kumar Jalan	5.54:1
Except Shri Sandeep Kumar Jalan all other directors did not get any remuneration during the financial year except sitting fee.	
<b>ii Percentage increase in remuneration of each Director, Chief Executive Officer Chief Financial Officer and Company Secretary</b>	percentage increase in remuneration in financial year 2016-17
Shri S K Jalan - Managing Director	NIL
Shri Ashim Kumar Dutta	NIL
Shri Sunil G. Somani - Chief financial Officer	NIL
Shri Mukesh Sharma	NIL
<b>iii Percentage increase in the median remuneration of employees in the financial year</b>	NIL
<b>iv Number of permanent employees on the roll of company</b>	23
<b>v Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</b>	
Average percentage increase in managerial remuneration =Nil	
<b>vi During the year, Mr. Ashim Dutta CEO of the company received remuneration in excess of the highest paid director.</b>	1.72:1
<b>vii we affirm that the remuneration paid to the Managerial and non Managerial Personnel is as per the remuneration policy of the company</b>	
The Remuneration paid during the financial year ended 31st March 2017 in terms of the Remuneration Policy of the company	

## ANNEXURE - 4

**INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

<b>(A) Conservation of Energy</b>	
(i) the step taken or impact on conservation of energy:	Nil
(ii) the step taken by the company for utilizing alternate source of energy:	Nil
(iii) the capital investment on energy conservation equipment :	Nil
<b>(B) Technology absorption</b>	
(i) the effort made towards technology absorption:	Nil
(ii) the benefit derived like product improvement ,cost reduction , product development, or import substitution	Nil
(iii) the company has not imported any technology in last three years :	Nil
(iv) expenditure incurred on research and development :	Nil
<b>(C) Foreign exchange earning and out go</b>	
Foreign exchange inflow / earning	Nil
Foreign exchange out go	Rs. 963.73



**CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT**

- (1) A brief outline of the Companies Act, 2013 and the rules made there under, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The Company has been promising organizational integrity and ethical business practices through transparency in disclosure and reporting procedures, leveraging green technologies, processes and standards to produce goods and services that contribute to social and environment sustainability, contributing to inclusive growth and equitable development in society through capacity building measures, empowerment of the marginalised and under privileged sections/communities, promoting welfare of the employees and labour (casual or contractual) by addressing their concerns of safety, security, professional enrichment and healthy working conditions, whether mandated or otherwise. The Company wishes to formalise and institutional its effort made in the domain of Corporate Social Responsibility and this policy shall serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the policy. This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the Society.

The Company's CSR policy is posted on its website i.e. kilburnchemicals.com

- (2) The Composition of the CSR Committee, : Mr.Ranjit Chaudhuri (Chairman), Mr. Sandeep Jalan, Member, Ms. Mamta Kejriwal, Member.
- (3) Average Net Profit of the Company for the last three finance years:Rs.444.39 lacs
- (4) Prescribed CSR Expenditure (two percent of the amount as in item in 3 above) - Rs.8.89 lacs
- (5) Details of CSR spent during the financial year 2016-2017
- (a) Total amount to be spent for the financial year: 8.89 lacs
- (b) Amount unspent, if any: .51 Lacs
- (c) Manner in which the amount spent during the financial year detailed below:

Sr. No	CSR Projects /Activities	Sector in which the project is covered	Location (Local Area/ Districts/State)	Amount outlay(budget) project or programme wise	Amount spent on the projects or programme	Cummulative expenditure upto the reporting period	Amt. spent Direct or through implementing agency
1	School for Handicapped Children	Education	Own initiative at Kolkata, West Bengal	837785	837785	837785	Direct

- (6) Reason for not spending the amount earmarked: small portion of amount remain unspent and will spent in the year 2017-18
- (7) Responsibility statement of the CSR Committee: The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

**S.K. Jalan**  
**Managing Director**

Date: 19th May, 2017

**Ranjit Chaudhuri**  
**Chairman of the CSR Committee**

## REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 27 of LODR, 2015]

### 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 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 Regulation 17 (1) of the LODR,2015.

As required by section 165 (1) of the Companies Act ,2013 and Regulation 26 of the LODR,2015 , none of the Directors holds Directorships in more than 20 Companies ( Public or Private ) , 10 public companies , membership of Board Committees ( Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the directors serves as Independent Director in more than 7 Listed Companies . None of the Director who serves as Whole Time Director in any listed Company serves as Independent Director in more than 3 listed Companies.

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, 2017 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 a 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	Managing Director	7	1	4	4	YES
Mr. V. Vanchi	Non-Executive Director	4	1	4	3	YES
Mr. Ranjit Chaudhri	Independent Director	2	-	4	3	YES
Mr. Anand Chatrath	Independent Director	2	1	4	3	NO
Mr. Tushar Mahendrabhai Patel	Non-Executive Director	1	1	4	1	NO
Mrs. Mamta Kejriwal	Independent Director	-	-	4	4	YES

Four Board Meetings were held on 13.05.16, 05.08.16, 05.11.16 & 10.02.17 during the year.

**(i) INDUCTION AND FAMILIARIZATION PROGRAM FOR DIRECTORS**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, functions, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, and Regulation 25 (7) of the LODR,2015 and other relevant regulations and his affirmation taken with respect to the same. By way of an introduction to the Company, the Director is presented with a relevant Annual Reports. Further, with a view to familiarize him with the Company's Operations, the Director is explaining through presentations giving an over arching perspective of the industry. The company senior staffs gives the details of organisational set up of the Company, the functioning of various divisions / departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role as a Director of the Company

**(ii) COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are tabled at the Board Meetings.

**3. Independent Directors' Meeting**

During the year under review, the Independent Directors met on 10th February, 2017, inter alia, to discuss: Independent Directors and the Board of Directors as a whole; Chairman of the committee, taking into account the views of the Executive and Non Executive Directors. Timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Director takes appropriate steps to present Independent Directors' views to the Managing Director.

The Company has conducted the familiarization program for Independent Directors during the year

**4. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Board and of the committees of Board by way of individual and collective feed back from Directors.

The following were the Evaluation Criteria :

For Independent Directors:

- Knowledge and Skills
- Professional Conduct
- Duties, Role And functions

For Executive Director / Managing Director

- Performance of Team Leader/ Member
- Evaluating business Opportunity
- Key set goals and achievements
- Professional conduct
- Sharing of information with the Board

## **5. 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 Regulation 18 of the LODR, 2015 and the Companies Act, 2013 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 quarterly, 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.
- Recommendations for the appointment/remuneration & terms of appointment of auditors of the Company.
- Reviewing, with the management with the statement of uses and applications of funds raised through issue (public, right, preferential issue etc)
- Scrutiny of inter-corporate loans & investments.
- Evaluations of internal financial controls of risk management system.
- To review the function of whistle blower mechanism.
- Carry out any other functions as mentioned in terms of reference of audit committee.

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 2017.

The Board of Directors of the Company had constituted an Audit Committee comprising of Shri. Ranjit Chaudhri, , Shri. Anand Chatrath and Smt. Mamta Kejriwal.

The Audit Committee is constituted in accordance with the provisions of Regulation 18 (1) of the LODR,2015 and Section 177 of the Companies Act 2013.Smt Mamta Kejriwal & 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. Mukesh Sharma, acts as the Secretary of the Committee.

The attendance of each member of the Committee is given below.

Date of Audit Committee Meeting held and attended by the Members	Mr. Ranjit Chaudhri	Mr. Anand Chatrath	Ms. Mamta Kejriwal
13.05.2016	YES	-	YES
05.08.2016	-	YES	YES
05.11.2016	YES	YES	YES
10.02.2017	YES	YES	YES

#### **6. Nomination and Remuneration Committee**

Pursuant to the provisions of Section 178 of the Companies Act ,2013 and regulation 19 of the LODR,2015, the Nomination and Remuneration Committee comprises of three Directors viz. Mr. R. Chaudhri (Chairman), Mr. Anand Chatrath and Ms.Mamta Kejriwal.

The terms of reference of the Committee cover the matter specified for Nomination and Remuneration Committee under the provision of LODR,2015 and Companies Act 2013 and rules made there under.

#### **7. Corporate Social Responsibility Committee**

The committee was constituted vide the Board Meeting held on 13.05.2016 To formulate and recommend to the Board , a corporate Social Responsibility Policy indicating the activity to be undertaken by the company as specified in schedule VII and the committee recommend the amount of expenditure to be incurred and monitors the expenses on corporate Social Responsibility from time to time.

Composition: As on 31.03.2017, the Corporate Social Responsibility Committee comprises of three Directors namely

Mr Ranjit Chaudhuri                      Chairman of The committee (Independent Director)  
 Mr S K Jalan                                      member  
 Ms. Mamta Kejriwal                      member (independent Director)

The attendance of each member of the Committee is given below.

Date of Audit Committee Meeting held and attended by the Members	Mr. Ranjit Chaudhri	Mr. S K Jalan	Ms. Mamta Kejriwal
13.05.2016	YES	YES	YES
05.11.2016	YES	YES	YES
10.02.2017	YES	YES	YES

### **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

#### **1.1 Appointment criteria and qualification**

- a) A person who is proposed to be appointment as director of the company should be eligible to be appointed as Director and must hold Director Identification Number issued by the Central Government and possess such qualification, expertise and experience as prescribed under the Act .
- b) Without prejudice to generality of the above , a person who is proposed to be appointed as an Independent Director shall also be subject to compliance of provisions of section 149(6)

- c) KMP or senior Management personnel shall have adequate qualification, expertise and experience in the relevant field for which the appointment is proposed to be made.
- d) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

## **1.2 Term / Tenure**

### **a) Managing Director/ Whole Time Director/ Manager (Managerial Personnel)**

The company shall appoint or re appoint any person as its Managerial Personnel for a term not exceeding five years at a time . No re appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director**

An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent that an Independent Director shall not , during the said period of three years, be appointed in or be associate with the company in any other capacity , either directly or indirectly.

## **1.3 EVALUATION**

The committee shall carry out evaluation of performance of every Director, KMP and senior Management Personnel at such interval as deemed fit.

## **1.4 REMOVAL**

The Committee may recommend the Board for removal of a Director, KMP or Senior Management Personnel for reason recorded in writing. The procedure for removal of any Director shall be as per the provisions of the Act in this regard.

## **1.5 RETIREMENT**

The Directors , KMP and senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the company. The Company will have the discretion power to retain the Directors, KMP, senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

## **2.1 REMUNERATION POLICY**

- a) The remuneration / compensation / commission etc. to the Managerial Personnel will be determined by the committee and recommended to the Board for approval which shall be subject to the prior / post approval of the shareholders of the company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managerial Personnel shall be in accordance with the percentage/ slabs / conditions as per the provisions of the Act.
- c) Increments to the existing remuneration / compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders in case of Managerial Personnel.
- d) Where any insurance is taken by the company on behalf of its Managerial Personnel, Chief Executive Officers, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**2.2 REMUNERATION TO MANAGERIAL PERSONNEL, KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES**

**A) FIXED PAY**

The Managerial Personnel shall be eligible for a monthly remuneration as may approved by the Board on the recommendation of the Committee in accordance with the provisions of the Companies Act ,2013 and rules made there under for the time being in force. The breakup of the pay scale and quantum of perquisites including employer's contribution to P. F. pension scheme, medical expenses , club fees, other non monetary benefits etc. Shall be decided and approved by the Board on the recommendation of the committee and approved by the shareholders and Central Government, wherever required.

**B) VARIABLE PAY**

The Managerial Personnel may be eligible to performance linked incentives as may be determined by the Board from time to time

**c) COMMISSION**

The Managerial Personnel may be paid commission if approved by the shareholders. The Shareholders may authorize the Board to decide commission to be paid to any Managerial Personnel of the Board.

**d) MINIMUM REMUNERATION**

If, in any financial year, the Company has no profits or its profits are inadequate, the company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the central Government.

**e) PROVISION FOR EXCESS REMUNERATION**

If any Managerial Personnel draws or receives , directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the company and until such sum is refunded , hold it in trust for the company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**f) REMUNERATION TO OTHER**

The remuneration to company Secretary, Chief Financial Officers, Chief Executive Officer, Senior Managerial Personnel and other employees of the company shall be governed by the H R Policy of the company.

**2.3 REMUNERATION TO NON EXECUTIVE /INDEPENDENT DIRECTORS**

**(a) REMUNERATION**

The remuneration shall be in the accordance with the provisions of the Companies Act ,2013 and rules made there under for the time being in force.

**(b) SITTING FEES**

The Non Executive / Independent Director may receive fees for attending meeting of the company. Provided that the amount of such fee shall not exceed Rs one lacs per meeting of the Board or Committee or such amount as may be prescribed under the Act . Additionally the Non Executive Directors shall be reimbursed travelling and incidental expenses incurred for attending the meeting

**(c) COMMISSION**

Commission may be paid within the monetary limit approved by the shareholders, subject to the limit as prescribe under the Act.



**(d) STOCK OPTION**

An Independent Director shall not be entitled to any stock option of the company.

The attendance of each member of the Committee is given below.

Date of Independent Directors Meeting held and attended by the Members	Mr.Ranjit Chaudhri	Mr.Anand Chatrath	Ms. Mamta Kejriwal
10.02.2017	Yes	Yes	Yes

Shri. Mukesh Sharma acts as the Secretary of the Committee.

**DETAILS OF REMUNERATION PAID TO DIRECTORS**

The Details of Remuneration paid to Directors for the year ended 31st March, 2017 are as follows:

Name of the Director	Sitting Fees	Salaries & Perquisites	Commission	No.of Shares held	
				Equity	Preference
Mr. S. K. Jalan	–	Rs.41,02,000	–	25355	–
Mr. V. Vanchi	Rs.16000/-	–	–	3000	–
Mr. Ranjit Chaudhri	Rs.24000/-	–	–	–	–
Mr. Anand Chatrath	Rs.24000/-	–	–	–	–
Mr. Tushar M. Patel	Rs.4000/-	–	–	–	–
Ms. Mamta Kejriwal	Rs.32000/-	–	–	–	–

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, 2015 to 13th November, 2018.

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.

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees.

**7. Stakeholders' Relationship Committee**

As per Regulation 20 of LODR,2015 and other applicable provisions of the companies Act, the terms of reference of the Committee are transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;

- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;

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

The Committee generally meets once a month.



A	No. of Pending Complaints as on 01.04.2016	NIL
B	No. of complaints received from Stock Exchanges/SEBI/Investors	2
C	No. of complaints resolved	2
D	No. of pending complaints as on 31.3.2017	NIL

Mr. Mukesh Sharma is the Compliance Officer.

#### **8. Corporate Social Responsibility (CSR) Committee**

In accordance with Section 135 of the companies Act ,2013 the Board of Directors has constituted the CSR Committee which comprises three Directors viz. Mr Sandeep Kumar Jalan , Mrs Mamta Kejriwal and Mr. Ranjit Chaudhari has defined the role of the committee , which is as under :

- Formulate and recommend to the Board , a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act ,2013
- Recommend the amount of expenditure to be incurred on activities refereed in CSR Policy.
- Monitor the CSR Policy of the company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time

#### **9. Risk Management policy**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management policy comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Board risk management policy and framework in line with local legal requirements and SEBI guidelines;
- Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.

#### **10. DISCLOSURE**

##### **i. RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

##### **ii. STRICTURES AND PENALTIES**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

##### **iii. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of the Company is committed to the high standards of Corporate Governance and stakeholder

responsibility. The Company has a framed whistle blower Policy to deal with instances of fraud and mismanagement, if any. The whistle blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**iv. SUBSIDIARY COMPANIES**

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

**v. INTERNAL CONTROLS AND ACCOUNTING STANDARD**

The Company has a formal system of internal control system which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.

**Internal Controls and Governance Processes**

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and
- To review the findings of investigation into cases of material nature and the actions taken in respect thereof

The Company has followed the Accounting Standards notified by the companies (Accounting Standards) Rules 2006 as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial Statements.

**vi. Details of Compliance with Mandatory Requirements and adoption of Non mandatory requirements as per LODR,2015**

**Mandatory Requirements**

The Companies complies with all the mandatory requirements of LODR, 2015 of the on Code of Corporate Governance.

Discretionary Requirements under Regulation 27 of listing Regulation

- a) Office for non executive Chairman at company's expenses : not applicable
- b) Shareholders Rights : As the Quarterly and Half yearly financial performance along with significant events are published in the news papers and are also posted on the Company website, the same are not being sent to the shareholders.
- c) Modified Opinion in Auditors Report : The Company's financial statement for the year 2016-17 does not contain any modified audit opinion.
- d) Separate post of Chairman & CEO : Not Complied
- e) Reporting of Internal Auditors directly to Audit Committee : Complied

**vii. Shareholding of NON Executive Directors**

Mr. V. Vanchi Director of the Company holds 3000 Shares only, no other directors hold any other shares of the Company.

**viii. Disclosure of relationship between directors inter-se**

None of the Directors of the company is related to any other Directors

**ix. Disclosure under the Sexual Harassment of women at Work place (Prevention, Prohibition and Redressal) Act 2013**

The Company has in place a policy on prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of women at the work place (Prevention, Prohibition & redressal) Act, 2013

Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment.

All employees (Permanent, contractual, temporary, trainees) are covered under this policy. During the year, the company has not employed any woman.

**x. Code of Conduct**

Boards 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.

**xi. Prevention of Insider Trading Code**

As per SEBI(prohibition of Insider Trading) Regulation,2015 the company has follow Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. Who could have access to the unpublished price sensitive information of the Company are governed by this code . The Company Secretary as Compliance Officer, who is responsible for setting forth procedure and implementation of the code.

**xii. CEO/CFO Certification**

In terms of LODR, 2015 Regulation 17(8) 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. The said certificate is annexed and forms part of the Annual Report.

**11. 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	06.09.2016	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata- 700017	11.00 A.M.	1
EGM	27.02.2016	Bharatiya Bhasha Parishad, 36A,Shakespeare Sarani, Kolkata-700017	11.00 A.M.	2
AGM	29.09.2015	Gyan Manch,11 Pretoria Street, Kolkata- 700071	10.00 A.M.	NIL
AGM	30.09.2014	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata- 700017	02.00 P.M.	NIL

**12. MEANS OF COMMUNICATION**

Quarterly, half yearly and annual results are published in prominent dailies such as The Political Business Daily (English) and Sukhabar (Bengali) newspapers and also displayed on the Company's website: [www.kilburnchemicals.com](http://www.kilburnchemicals.com)



**Distribution of Shareholding as on 31.03.2017**

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
1 to 500	18208	97.9293	1263097	12.2452
501 to 1000	186	1.0004	154293	1.4958
1001 to 2000	81	0.4356	126487	1.2262
2001 to 3000	36	0.1936	89370	0.8664
3001 to 4000	16	0.0861	56112	0.5440
4001 to 5000	19	0.1022	89871	0.8713
5001 to 10000	23	0.1237	160470	1.55578
10001 and above	24	0.1291	8375300	1.1954
	18593	100.0000	10315000	100.0000

**Shareholding Pattern as on 31.03.2017 is as follows :**

Category	No. of Folios	No. of shares	%
Promoters	11	6354747	61.6069
Mutual Fund	6	6700	0.0650
Bank, Financial Institutions	5	1000	0.0097
Private Corporate Bodies	150	1710568	16.5833
Indian Public	18394	2216043	21.4836
NRI/OCBs	28	25942	0.2515
	18594	10315000	100.0000

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

As on 31st March, 2017, 73,01,968 shares were converted from physical to electronic form. Over 79.98% equity shares have been dematerialised upto 31st March, 2017. 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

Place : Kolkata

Date : 19th May, 2017

**S.K. JALAN**  
**MANAGING DIRECTOR**

ANNEXURE TO THE DIRECTORS' REPORT

**CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS**

**The Board of Directors,  
Kilburn Chemicals Limited**

We have reviewed the financial statements and the cash flow statement of Kilburn Chemicals Limited for the year ended March 31, 2017 and to the best of our knowledge and belief:

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

**ASHIM DUTTA  
CHIEF EXECUTIVE OFFICER**

**SUNIL SOMANI  
CHIEF FINANCE OFFICER**

Place: **Kolkata**

Date: **19.05.2017**

**DECLARATION BY THE MANAGING DIRECTOR REGULATION 34(3) PART D OF THE SEBI LISTING REGULATIONS**

To,  
The Members  
Kilburn Chemicals Limited

I hereby declare that all the Directors and the designated employees in the Senior management of the Company have affirmed compliance with their respective codes for the financial year ended March 31, 2017.

Place : **Kolkata**  
Date : **19th May, 2017**

**S.K. JALAN**

**MANAGING DIRECTOR**

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE**

The Members,  
Kilburn Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Kilburn Chemicals Limited as per Listing Obligations and Disclosure Requirements, Regulations, 2015 ('SEBI Regulations').

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and the SEBI Regulations.

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 V. SINGHI & ASSOCIATES**

Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani  
Kolkata - 700 001  
Dated: 19th May, 2017

Chartered Accountants  
Firm Registration No.311017E  
**(SUNIL SINGHI)**  
Partner  
Membership No.060854

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Kilburn Chemicals Limited Report on the Financial Statements

We have audited the accompanying financial statements of Kilburn Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the Audit Report.

We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

- Note No. 28 regarding non provision of gratuity liability of Rs. 23,04,884/- (including for the year Rs. 1,73,076/-).
- Note No. 30 regarding non provision against Trade Receivables of Rs. 11,09,72,664/- in respect of Commodity Transactions and other Receivables of Rs. 1,00,93,772/-

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such



checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure– A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. As required by section 143(3) of the Act, wereport that:

- a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so faras it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are inagreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31stMarch, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”, and

g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in the financial statements as referred to in Note 27 in the financial statements.
- ii. theCompany did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. the Company has transferred Rs. 2,13,343/- relating to the Financial Year 2008-2009 to the Investor Education and Protection Fund with a delay of 10 days.
- iv. the Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company.

**For V. SINGHI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. 311017E**  
**(SUNIL SINGHI)**

Four Mangoe Lane,  
**Partner**

Membership No. 060854

Surendra Mohan Ghosh Sarani  
Kolkata

Date: 19th May, 2017

### **Annexure - A to the Independent Auditor’s Report**

(Referred to in paragraph-1 on Other Legal and Regulatory Requirements of our Report of even date to the members of Kilburn Chemicals Limitedon theFinancial Statements of the Company for the year ended 31st March, 2017)

- i. a) The Company has maintainedproper records showing full particulars including quantitative details and situation of its Fixed Assets.
- b) As explained to us,the Fixed Assets have been physically verified by the management at regular intervals and as informed to us no material discrepancies

were noticed on such verification.

- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company,the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the Management during the year at regular intervals and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations

given to us, the Company has not granted any loan, secured or unsecured, during the year (excluding outstanding Unsecured Loan of Rs.2,48,06,627/- as on 31.03.2017) to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act.

- a) No interest is being charged on the above loan as per terms of the agreement between the parties.
  - b) There are 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 principal amount. However, the Company has received Rs 1,94,704/- on account of principal during the year.
  - c) In view of our comments in para (b) above, we are not in a position to make any comments as to whether or not there were any overdue amounts of more than Ninety days and whether any reasonable steps have been taken by the Company for recovery of the principal amount.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of the loans and investments made.
  - v. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified.
  - vi. As per the information and explanations given to us by the management, the Central Government has prescribed the maintenance of cost records under section 148(1) of the Act but since the criteria for minimum turnover is not complied with, Clause 3(vi) of the order is not applicable.
  - vii. a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Income Tax,

Sales Tax, Custom duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues to the appropriate authorities and there are no undisputed amount payable in respect of the same which were in arrears as on 31st March, 2017 for a period of more than six months from the date the same became payable.

- b) According to the information and explanations given to us, the Company has not deposited the following dues on account of disputes with the appropriate authorities:

Name of the statute	Nature of the dues	Amount in Rs.	Period to which the amount relate	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6,25,55,590/-	Assessment Year 2012-13	Commissioner of Income Tax (Appeals), Chennai
Income Tax Act, 1961	Income Tax	53,43,330/-	Assessment Year 2013-14	Commissioner of Income Tax (Appeals), Chennai
Income Tax Act, 1961	Income Tax	10,48,080/-	Assessment Year 2014-15	Commissioner of Income Tax (Appeals), Chennai

- viii. According to the information and explanations given to us, the Company has obtained term loans under consortium finance from Bank of Baroda & State Bank of India during the year. However, no installment is due for repayment during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However, term loans raised during the year have been applied for the purpose for which the same were raised.
- x. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor we have been informed of such case

- by the management.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details in respect of such transactions have been disclosed in the Financial Statements as required under Accounting Standards – 18 Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. During the year under review the Company has made preferential allotment of 11,85,000 Equity Shares of Rs. 10 each in accordance with provisions of Section 42 of the Act and the amount raised has been utilized/to be utilized for the purpose for which it was raised.
- xv. According to the information and explanations given to us, we report that the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For V. SINGHI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. 311017E**  
**(SUNIL SINGHI)**  
Four Mangoe Lane,  
**Partner**  
Membership No. 060854

Surendra Mohan Ghosh Sarani  
Kolkata

Date: 19th May, 2017

## **Annexure – B to the Independent Auditor’s Report**

(Referred to in paragraph-2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of Kilburn Chemicals Limited on the Financial Statements of the Company for the year ended 31st March, 2017)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Kilburn Chemicals Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the

extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V. SINGHI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. 311017E**  
**(SUNIL SINGHI)**  
Four Mangoe Lane,  
**Partner**  
Membership No. 060854

Surendra Mohan Ghosh Sarani  
Kolkata

Date: 19th May, 2017

**BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note No	As at 31st March, 2017		As at 31st March, 2016	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
1) Shareholders' Funds					
a) Share Capital	2	<b>103,150,000</b>		91,300,000	
b) Reserves and Surplus	3	<b>700,224,566</b>		664,518,825	
c) Money Received Against Convertible Warrants	4	<u><b>15,015,000</b></u>	<b>818,389,566</b>	<u><b>26,568,750</b></u>	<b>782,387,575</b>
2) Non-Current Liabilities					
a) Long Term Borrowings	5	<b>900,000,000</b>		82,222,500	
b) Deferred Tax Liabilities (Net)	6	<u><b>21,911</b></u>	<b>900,021,911</b>	<u><b>95,334</b></u>	<b>82,317,834</b>
3) Current Liabilities					
a) Trade Payables	7	<b>14,502</b>		-	
b) Other Current Liabilities	8	<b>124,884,670</b>		14,804,400	
c) Short- Term Provisions	9	<u><b>464,346</b></u>	<u><b>125,363,518</b></u>	<u><b>464,346</b></u>	<u><b>15,268,746</b></u>
<b>TOTAL</b>			<u><b>1,843,774,995</b></u>		<u><b>879,974,155</b></u>
<b>II. ASSETS</b>					
<b>1) Non-Current Assets</b>					
a) Property, Plant and Equipment					
i) Tangible Assets	10	<b>196,150,297</b>		196,295,167	
ii) Intangible Assets		<b>763,621</b>		1,080,684	
iii) Capital Work-In-Progress	11	<u><b>1,033,050,775</b></u>	<b>1,229,964,693</b>	<u><b>229,671,221</b></u>	427,047,072
b) Non-Current Investments	12		-		-
c) Long Term Loans and Advances	13		<b>124,845,940</b>		<b>14,531,215</b>
<b>2) Current Assets</b>					
a) Current Investments	14	<b>20,000,000</b>		20,000,000	
b) Inventories	15	<b>721,213</b>		-	
c) Trade Receivables	16	<b>114,487,970</b>		125,616,440	
d) Cash and Cash Equivalents	17	<b>274,904,146</b>		262,567,923	
e) Short-term Loans and Advances	18	<b>26,238,753</b>		26,504,420	
f) Other Current Assets	19	<u><b>52,612,280</b></u>	<u><b>488,964,362</b></u>	<u><b>3,707,085</b></u>	438,395,868
<b>TOTAL</b>			<u><b>1,843,774,995</b></u>		<u><b>879,974,155</b></u>

Significant Accounting Policies 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For V.Singhi & Associates

Chartered Accountants

Firm Regn No.311017E

(Sunil Singhi)

Partner

Membership No. 060854

Place: Kolkata

Date: 19.05.2017

**For and on behalf of the Board**

**A. K. Dutta**

Chief Executive Officer

**S. K. Jalan**

Managing Director

**Sunil G. Somani**

Chief Financial Officer

**V. Vanchi**

Director

**Mukesh Sharma**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Note No.	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
		Rs.	Rs.	Rs.	Rs.
<b>I. Revenue from Operations</b>	20		<b>124,600</b>		10,718,056
<b>II. Other Income</b>	21		<b>8,152,184</b>		58,734,845
<b>III. Total Revenue (I+II)</b>			<b>8,276,784</b>		69,452,901
<b>IV. Expenses</b>					
Cost of Raw Materials Consumed	22		<b>792,318</b>		-
Changes in Inventories of Finished Goods and Work in Progress	23		<b>(709,749)</b>		-
Employee Benefits Expense	24		<b>710,270</b>		4,013,465
Finance Costs	25		<b>1,500</b>		125,150
Depreciation and Amortisation	10		<b>512,356</b>		4,537,475
Other Expenses	26		<b>4,658,541</b>		19,092,578
			<b>5,965,236</b>		27,768,668
<b>V. Profit Before Exceptional Items and Tax (III-IV)</b>			<b>2,311,548</b>		41,684,233
<b>VI Exceptional Items</b>			<b>-</b>		-
<b>VII Profit before Tax(V-VI)</b>			<b>2,311,548</b>		41,684,233
<b>VIII Tax Expenses</b>					
Current Year		<b>1,044,230</b>		33,900,000	
Deferred Tax		<b>(73,423)</b>	<b>970,807</b>	(40,250,662)	(6,350,662)
<b>IX Profit for the year (VII-VIII)</b>			<b>1,340,741</b>		48,034,895
Earnings per Equity Share (Face Value Rs.10/- each)	31				
Basic			Re. 0.14		Rs. 5.84
Diluted			Re. 0.11		Rs. 5.75

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date  
For V.Singhi & Associates  
Chartered Accountants  
Firm Regn No.311017E  
(Sunil Singhi)  
Partner  
Membership No. 060854  
Place: Kolkata  
Date: 19.05.2017

**For and on behalf of the Board**  
**A. K. Dutta**                      **S. K. Jalan**  
Chief Executive Officer              Managing Director  
  
**Sunil G. Somani**                      **V. Vanchi**  
Chief Financial Officer                      Director

**Mukesh Sharma**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	For the Year ended 31st March, 2017		For the Year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before Tax and exceptional Items		<b>2,311,548</b>		41,684,233
<b>Adjustments for:</b>				
Depreciation	<b>512,356</b>		4,537,475	
Interest Received	<b>(8,152,184)</b>		(2,367,807)	
(Profit)/Loss on Sale of Investments	-		(34,460,912)	
(Profit)/Loss on Sale of Fixed Assets	<b>17,336</b>		(18,260,239)	
Balances written back	-		(132,634)	
Sundry Balances written off	-		169,200	
Export Benefit written off	-		463,033	
Interest Receivable written off	-		146,323	
Provision for Bad and Doubtful Debts	-	<b>(7,622,492)</b>	6,284,008	(43,621,553)
<b>Operating Profit before Working Capital Changes</b>		<b>(5,310,944)</b>		(1,937,320)
<b>Adjustments for Changes in Working Capital</b>				
Trade and Other Receivables	<b>(142,663,496)</b>		(10,282,393)	
Inventories	<b>(721,213)</b>		-	
Trade Payables and Other Liabilities	<b>110,094,772</b>	<b>(33,289,937)</b>	3,972,288	(6,310,105)
<b>Cash Generated from Operations</b>		<b>(38,600,881)</b>		(8,247,425)
Taxes Paid		<b>(2,343,587)</b>		(33,900,000)
<b>Net cash flow from operating Activities</b>		<b>(40,944,468)</b>		(42,147,425)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets/Expenditure on Capital Work In Progress		<b>(803,617,313)</b>		(112,868,954)
Sale of Fixed Assets		<b>170,000</b>		150,000,000
Purchase of Investments		-		(164,500,000)
Sale of Investments		-		278,322,430
Interest Received		<b>4,289,253</b>		2,367,807
<b>Net Cash flow from Investing Activities</b>		<b>(799,158,060)</b>		153,321,283
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceed from Issue of Share Capital and Convertible Warrants		<b>8,887,500</b>		35,968,750
Securities Premium on issue of Shares		<b>25,773,750</b>		27,260,000
Long term loan taken		<b>817,777,500</b>		82,222,500
<b>Net Cash flow from Financing Activities</b>		<b>852,438,750</b>		145,451,250
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>		<b>12,336,223</b>		256,625,108
<b>Cash and Cash Equivalents at the beginning of year</b>		<b>262,567,923</b>		5,942,815
<b>Cash and Cash Equivalents at the end of year</b>		<b>274,904,146</b>		262,567,923

**Notes:**

- (1) The above statement is subject to and read together with the notes and observations on Financial Statements 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 Statement issued by the Institute of Chartered Accountants of India.
- (3) Cash & Cash Equivalents at start and close of the 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.

As per our report of even date

For V.Singhi & Associates

Chartered Accountants

Firm Regn No.311017E

(Sunil Singhi)

Partner

Membership No. 060854

Place: Kolkata

Date: 19.05.2017

**For and on behalf of the Board**

**A. K. Dutta**

Chief Executive Officer

**S. K. Jalan**

Managing Director

**Sunil G. Somani**

Chief Financial Officer

**V. Vanchi**

Director

**Mukesh Sharma**

Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 1. Significant Accounting Policies

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

The Financial Statements have been prepared on accrual basis and under the historical cost convention method and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

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 III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### (ii) Use of Estimates:

The preparation of financial statements requires estimates and assumption to be made that affect 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 or materialized.

#### (iii) Property, Plant & Equipment and Depreciation:

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 cost on borrowed funds, wherever applicable, used to finance the acquisition of fixed assets, upto the date of assets are ready for use, are estimated and capitalized and included in the cost of the assets.

Depreciation on straight line method is provided on book value of tangible fixed assets (other than leasehold land). The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the assets.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Cost of Leasehold Land will be amortised as and when the Company starts its commercial production.

The Expenditure incurred on "CDM" project has been considered by the Company as "Intangible Assets-CDM Project" and amortised on the basis of useful life method as specified in Schedule II to the Companies Act, 2013.

#### iv) Investments:

Non-Current Investments are stated at cost. Provision for diminution is made, other than temporary.

Current Investments are carried at cost or fair market rate whichever is lower.

#### v) Inventories:

Inventories are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated realizable value in the normal course of business less the estimated costs necessary to make the sale.

Cost of Work-in-Progress is determined by considering raw materials cost plus labour etc. apportioned on an estimated basis depending upon the stages of completion.

Packing Materials is valued at Cost.

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

Benefits of Cenvat/VAT and Service Tax Credits (to the extent claimed/availed) are accounted



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

for by adjusting to the cost of relative fixed assets/ materials/expenses.

### vii) Recognition of Revenue and Expenditure:

- (a) Revenue in respect of sales is recognized when the property in the goods with the risks and rewards of ownership are transferred to the buyer and there is no significant uncertainty as to its realisability.
- (b) Income and Expenditure are accounted for on accrual and prudent basis.
- (c) 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 the Institute of Chartered Accountants of India, "CERS"/income are to be recognized in the financial statements only when the "CERS" are issued/credited/sold/ certified by "UNFCCC".

- (d) 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.

### viii) Retirement and other Employee Benefits

Retirement Benefit in the form of provident fund is a defined contribution scheme and the contribution is charged in the Financial Statements as and when contribution is done.

No provision for retirement benefit in respect of gratuity has been made as no employee is presently entitled for the same except Sri Sandip Kumar Jalan, Managing Director of the Company.

There is no policy for payment of Leave encashment by the Company to the employees of the Company.

### ix) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

Gain or Loss on settled transactions are recognized in the Statement of Profit and Loss except for purchase of fixed assets which are adjusted to carrying amount of fixed assets. Unsettled transactions as at the year end are translated at the closing rate and the gain or loss is recognized in the Statement of Profit and Loss except for liabilities incurred for purchase of fixed assets which are adjusted to the carrying amount of fixed assets.

### x) Borrowing Costs

Borrowing costs incurred in relation to acquisition or construction of assets which necessarily takes substantial period of time to get ready for intended use are capitalized/allocated as part of such assets. Other borrowing costs are charged as expenses in the year in which the same are incurred.

### xi) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is calculated at current statutory income tax rates as applicable and recognised on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets subject to consideration to prudence are recognised and carried forward only to the extent that there is

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**xii) Impairment of Assets**

The Company identifies impairable assets at theyear end in accordance with the guiding principles of Accounting Standard-28, issued by the Institute of Chartered Accountants of India, for the purpose of arriving at impairment loss thereon, being the difference in the book value and the recoverable value of the relevant assets. Impairment Loss, when crystalises, are charged against revenues for the year.

**xiii) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed by way of Note in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>NOTE-2</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
1,60,00,000 (Previous year 1,60,00,000) Equity Shares of Rs.10/- each	160,000,000	160,000,000
4,00,000 (Previous year 4,00,000) Cummulative Redeemable Preference Shares of Rs. 100/- each	40,000,000	40,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>(b) Issued, Subscribed and Paid-up</b>		
103,15,000 (Previous year 91,30,000) Equity Shares of Rs.10/- each fully paid-up	103,150,000	91,300,000
	<b>103,150,000</b>	<b>91,300,000</b>

	No. of Shares	(Rs.)	No. of Shares	(Rs.)
<b>a) Reconciliation of number of shares</b>				
Opening Balance	9,130,000	91,300,000	8,190,000	81,900,000
Add: Issued during the year	1,185,000	11,850,000	940,000	9,400,000
Closing Balance	<b>10,315,000</b>	<b>103,150,000</b>	<b>9,130,000</b>	<b>91,300,000</b>
<b>b) The Company has issued Equity Shares having a face value of Rs. 10/- each. Each holder of the Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting.</b>				
<b>c) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in the proportion to the number of Equity Shares held by the shareholders.</b>				

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31st March, 2017 Rs.		As at 31st March, 2016 Rs.	
d) <b>Name of Shareholders holding more than 5% of the total Shares issued by the Company</b>				
<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Shree Durga Agencies Limited	1,968,170	19.08	1,308,170	14.33
Supriya Finance Limited	1,819,423	17.64	1,819,423	19.93
Nirvan Commercial Company Limited	654,465	6.34	654,465	7.17
Maryada Advisory Services Private Limited	1,232,457	11.95	1,232,457	13.50
Babcock Borsig Limited	855,000	8.29	855,000	9.36

As per records of the Company, including its register of shareholders / members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

	As at 31st March, 2017 Rs.		As at 31st March, 2016 Rs.	
<b>NOTE-3</b>				
<b>RESERVES AND SURPLUS</b>				
a) <b>Capital Reserve</b>				
State Subsidies				
As per last Financial Statement	<b>1,976,000</b>		1,976,000	
b) <b>Preference Share Capital Redemption Reserve</b>				
As per last Financial Statement	<b>39,122,000</b>		39,122,000	
c) <b>Securities Premium Reserve</b>				
As per last Financial Statement	<b>31,850,000</b>		4,590,000	
Add: Received during the year	<b>34,365,000</b>		27,260,000	
	<b>66,215,000</b>		31,850,000	
d) <b>General Reserve</b>				
As per last Financial Statement	<b>134,750,391</b>		134,750,391	
	<b>242,063,391</b>		207,698,391	
e) <b>Surplus</b>				
As per last Financial Statement	<b>456,820,434</b>		408,785,539	
Add: Profit for the year as per Statement of Profit and Loss	<b>1,340,741</b>		48,034,895	
	<b>458,161,175</b>		456,820,434	
	<b>700,224,566</b>		664,518,825	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**NOTE - 4**

**CONVERTIBLE WARRANTS**

	No. of Warrants	(Rs.)	No. of Warrants	(Rs.)
Opening Balance	2,725,000	26,568,750	-	-
Add: Issued during the year	-	-	2,725,000	26,568,750
Less: Converted in Equity Shares during the year	1,185,000	11,553,750	-	-
	<b>1,540,000</b>	<b>15,015,000</b>	<b>2,725,000</b>	<b>26,568,750</b>

- a) During the year the Company has converted 11,85,000 Convertible Warrants of Rs.10/- each into 11,85,000 Equity Shares of Rs. 10/- each on preferential basis at a premium of Rs 29/- per Equity Share. Equity Shares issued at a price of Rs. 39/- per share (Rs. 10/- against capital and Rs. 29/- against Premium) out of which 25% consideration received at the time of allotment of warrant and balance 75% consideration has been received at the time of conversion of Warrants into Equity Shares. The Company has complied with Regulation 77 of Chapter VII of SEBI (ICDR) Regulations, 2009.
- b) The holder(s) of each Warrant will be entitled to apply for and obtain allotment of one Equity Share against such Warrant within a period not exceeding eighteen(18) months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the warrant holder shall pay balance of the consideration towards the subscription of each Equity Shares.
- c) In case the holders of warrants do not exercise their right of conversion for the Equity Shares within the aforesaid period, the entitlement of the Warrant holders to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
- d) Upon receipt of requisite payment as above, the Board (or a Committee) shall allot one Equity Share against each Warrant by appropriating Rs. 10/- per Equity Share toward Share Capital and the balance towards the Securities Premium Account.
- e) The Warrant by itself till converted into Equity Shares, does not give to the holder(s) thereof any right of the Shareholder of the Company.
- f) The Equity Shares issued as above shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank Pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

<b>As at 31st March, 2017 Rs.</b>	<b>As at 31st March, 2016 Rs.</b>
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**NOTE NO - 5**

**LONG TERMS BORROWINGS**

**SECURED**

**TERM LOANS**

From Bank of Baroda (Refer Note below)	<b>450,000,000</b>	2,222,500
From State Bank of India (Refer Note below)	<b>450,000,000</b>	80,000,000
	<b>900,000,000</b>	<b>82,222,500</b>

Note :

Secured by first Pari-passu Equitable Mortgage of Immovable properties situated at Dahej in Bharuch district of Gujarat together with movable properties present and future and hypothecation of Current Assets and personal guarantee of Mr. S.K.Jalan , Managing Director and corporate guarantee of Shree Durga Agencies Limited.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The above Consortium Bankers have sanctioned Term Loans of Rs. 166 Crores and have disbursed Rs. 90.00 Crores till 31.03.2017. The sanctioned Term Loans are repayable to each banker as under:-

- i) Rs. 4,98,00,000/- payable in 3 equal quarterly installments of Rs. 1,66,00,000/- each commencing from 2nd quarter of the year 2018-19. Last installment due in the 4th quarter of the year 2018-19.
- ii) Rs. 39,84,00,000/- payable in 12 equal quarterly installments of Rs. 3,32,00,000/- each commencing from 1st quarter of the year 2019-20. Last installment due in the 4th quarter of the year 2021-22.
- iii) Rs. 8,30,00,000/- payable in 2 equal quarterly installments of Rs. 4,15,00,000/- each commencing from 1st quarter of the year 2022-23. Last installment due in the 2nd quarter of the year 2022-23.
- iv) Rs. 29,88,00,000/- payable in 6 equal quarterly installments of Rs. 4,98,00,000/- each commencing from 3rd quarter of the year 2022-23. Last installment due in the 4th quarter of the year 2023-24.

### NOTE - 6

#### DEFERRED TAX LIABILITIES (NET)

In compliance with the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has adjusted the Deferred Tax Liability (net) of Rs. 73,423/- for the year in the Statement of Profit and Loss. The Deferred Tax Liability (net) comprises of :

Depreciation on Fixed Assets	<b>21,911</b>	95,334
	<u>21,911</u>	<u>95,3346</u>

### NOTE-7

#### TRADE PAYABLES

Trade Payable	<b>14,502</b>	-
	<u>14,502</u>	<u>-</u>

### NOTE - 8

#### OTHER CURRENT LIABILITIES

Interest accrued and due on Term Loans	<b>4,226,712</b>	26,630
Unpaid Dividend Accounts(As per Contra)	<b>1,595,047</b>	1,814,665
Others Liabilities		
Other Payables		
To Related Party (Refer Note 33)	-	114,793
To Others		
For Capital Goods	<b>107,831,103</b>	-
For Expenses	<b>10,485,024</b>	<u>11,138,666</u>
Payable to Statutory Authorities	<b>746,784</b>	1,709,646
	<u>124,884,670</u>	<u>14,804,400</u>

### NOTE - 9

#### SHORT-TERM PROVISIONS

For Gratuity	<b>464,346</b>	464,346
	<u>464,346</u>	<u>464,346</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## NOTE-10

## PROPERTY, PLANT AND EQUIPMENT

Amount in Rs.

Particulars	GROSS BLOCK (AT COST)		DEPRECIATION AND AMORTISATION			NET BLOCK		
	As at 01.04.2016	As at 31.03.2017	As at 01.04.2016	For the year	Adjustments/ Deductions	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>Tangible Assets</b>								
Leasehold Land and Development*	195,281,289	-	-	-	-	-	195,281,289	195,281,289
Furniture & Fittings	192,565	117,109	82,644	13,424	-	96,068	213,606	109,921
Vehicles	1,441,666	-	711,080	103,136	351,881	462,335	440,114	730,586
Office Equipments (including Air Conditioner)	475,650	120,650	302,279	78,733	-	381,012	215,288	173,371
Sub Total	197,391,170	237,759	1,096,003	195,293	351,881	939,415	196,150,297	196,295,167
Previous year figures	400,948,412	10,902,200	80,241,174	4,220,412	83,365,583	1,096,003	196,295,167	
<b>Intangible Assets</b>								
Computer Software	2,441,530	-	2,405,997	16,467	-	2,422,464	19,066	35,533
CDM-PROJECT	2,566,643	-	1,521,492	300,596	-	1,822,088	744,555	1,045,151
Sub Total	5,008,173	-	3,927,489	317,063	-	4,244,552	763,621	1,080,684
Previous year figures	4,966,173	52,000	3,610,426	317,063	-	3,927,489	1,080,684	
Total	202,399,343	237,759	5,023,492	512,356	351,881	5,183,967	196,913,918	197,375,851
Previous year figures	405,904,585	10,954,200	83,851,600	4,537,475	83,365,583	5,023,492	197,375,851	

\* Represents cost incurred for Leasehold Land allotted by Gujarat Industrial Development Corporation vide Offer - cum- Allotment letter dated 18/03/2011 on License basis on a Lease of ninety nine years for which a lease deed has been executed on 02/01/2016.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>CAPITAL WORK-IN-PROGRESS</b>		
<b>Expenses considered by the Company as being Project and Pre-operative Expenditure (Pending allocation to Fixed Assets)</b>		
Paid to Gujrat Industrial Development Corporation*	31,079,646	31,079,646
Interest paid to Gujrat Industrial Development Corporation	31,039,383	31,039,383
Paid to Gujarat Pollution Control Board	150,000	150,000
Up Front Other Charges & Interest to Banks	64,032,182	20,787,114
Technical Know how & Engineering Fees	109,605,299	73,644,535
Site Development Charges**	29,489,298	29,319,298
Building & Civil Works	279,453,761	485,054
Salary & Wages***	39,920,815	22,543,557
Rent Paid 3,374,497	1,594,500	
Travelling & Conveyance	7,582,514	2,804,903
Professional Charges	18,120,572	14,472,249
Miscellaneous Expenses****	8,846,006	1,750,982
Plant and Machinery	402,438,749	-
Electric Installation	7,918,053	-
	<b>1,033,050,775</b>	<b>229,671,221</b>

Notes:

\* Includes Penalty for Non-Utilisation of Land Rs.2,26,46,304/- (Previous Year Rs.2,26,46,304/-) and Penalty for late submission of plan Rs. 84,33,342/- (Previous Year Rs. 84,33,342/)

\*\* Includes Lease Rent and Interest Rs. 5,981/- (Previous Year 5,981/-) Infrastructure Fund Rs. 8,30,707/- (Previous year Rs. 8,30,707/-), Service and other charges Rs.3,43,73,610/- (Previous Year Rs.3,42,03,610/-).

\*\*\* Includes Managing Director's Remuneration Rs. 36,21,275/-

\*\*\*\*Includes conveyance, telephone and other miscellaneous expenses amounts whereof not separately ascertained by the management and hence not stated.

**NOTE-12**

**NON-CURRENT INVESTMENTS**

**Other than trade - at cost**

**Unquoted Investments in Equity Shares**

**In Associates**

75,000 Equity Shares of Rs. 10/- each fully paid up of

Kilburn Software Technologies India Limited	750,000	750,000
Less: Provision for diminution in value	750,000	750,000
	<b>-</b>	<b>-</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>NOTE-13</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured-Considered good by the management</b>		
Capital Advances	51,270,759	500,000
<b>b) Advance to Others</b>		
Income tax Refundable	5,104,431	5,104,431
Prepaid Expenses	-	46,361
Advance against Rent to Related Parties (Refer Note 33)	105,000	105,000
Others	99,816	-
<b>c) Security Deposits</b>		
Gujarat VAT/CST Deposit	45,000	45,000
Rent Deposit	-	38,000
Gujarat Industrial Development Corporation	2,444,490	2,444,490
GIDC Deposit ( Water)	46,863,959	5,782,594
Deposit against Rent to Related Parties (Refer Note 33)	90,000	90,000
Dakshin Gujarat Vij Company Limited (Electricity Deposit)	14,600,797	-
Gas Authority of India Limited	2,546,993	-
<b>d) Other Loans and Advances</b>		
Advance payment of Income Tax (Net of Provision of Rs. 3,50,67,109/- Previous Year Rs.3,40,22,879/-)	1,674,695	375,339
	<u>124,845,940</u>	<u>14,531,215</u>

**NOTE-14**

**CURRENT INVESTMENTS**

(At cost or fair market value whichever is lower)

Other than Trade

Investments in Mutual Funds (fully paid-up)

Description	Units	Face Value (Rs.)	Rs.	Units	Face Value (Rs.)	Rs.
ICICI Prudential Flexible Income Plan Premium Growth	70,244.327	100	<u>20,000,000</u>	70,244.327	100	<u>20,000,000</u>
			<u>20,000,000</u>			<u>20,000,000</u>
Aggregate Amount of Investments			20,000,000			20,000,000
Aggregate Amount of NAV of Investments			21,869,799			20,105,416

**Note 15**

**INVENTORIES**

(as taken valued and certified by the management)

(at Cost or Net Realisable Value, whichever is lower)

Finished Goods	575,727	-
Work in Progress	134,022	-
Packing Materials	11,464	-
	<u>721,213</u>	<u>-</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>Note 16</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered Good by the management)		
a) Debts outstanding for a period exceeding six months from the date they are due for payment		
From Related Party (Refer Note No.33)	3,350,084	3,544,845
From Others	117,319,766	128,355,603
Less: Provision for Bad & Doubtful Debts	<u>(6,284,008)</u>	<u>(6,284,008)</u>
b) Other Debts	102,128	-
	<u>114,487,970</u>	<u>125,616,440</u>

**NOTE-17**

**CASH AND CASH EQUIVALENTS**

Balances with Bank		
In Current Accounts	10,422,379	2,209,537
In Escrow Accounts	91,939,948	78,394,759
On Unpaid Dividend Accounts (As per Contra)	1,595,047	1,814,665
In Fixed Deposits		
a) With maturity less than 12 months (Fixed Deposit Receipt for Rs.80,000,000/- pledged with bank as security against Term Loan)	170,719,349	180,000,000
b) With maturity more than 12 months* Cash in hand (as certified by the management)	38,364 189,059	38,364 110,599
	<u>274,904,146</u>	<u>262,567,923</u>

\*Fixed Deposit Receipt for Rs. 38,364/- (Previous year Rs. 38,364/-) lodged with Government Agency as security for which confirmation certificate was not made available for Auditor's verification.

**NOTE-18**

**SHORT-TERM LOANS AND ADVANCES**

Unsecured-Considered good by the management

a) Loan to a Body Corporate (Free of interest) To Related Party (Refer Note 33)*	24,806,627	25,001,331
c) Advance to Others Sales Tax Refundable	1,391,578	1,462,540
Others	40,549	40,549
	<u>26,238,753</u>	<u>26,504,420</u>

\* Outstanding for more than 3 years considered good by the management.

**NOTE-19**

**OTHER CURRENT ASSETS**

Accrued Interest on Fixed Deposits	5,772,499	1,909,568
Cenvat Credit Receivable		
On Capital Goods	29,869,315	-
On Input Services	8,253,582	1,797,517
On Inputs 80,407	-	-
VAT Receivable	8,636,478	-
	<u>52,612,280</u>	<u>3,707,085</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
<b>NOTE - 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales of Product	140,175	-
Less: Excise Duty	15,575	124,600
	-	-
Income From Wind Mill Operation	-	10,718,056
	<u>124,600</u>	<u>10,718,056</u>
<b>NOTE - 21</b>		
<b>OTHER INCOME</b>		
Interest from Bank on Fixed Deposits (Tax Deducted at Source Rs.8,18,087/-, Previous Year Rs.2,36,781/-)	8,152,184	2,367,807
Profit on Sale of Current Investments	-	34,460,912
Sundry Balances Written Back	-	132,634
Advance Forfeited on Cancellation of Wind Mill Slump Sale Agreement	-	3,000,000
Profit on Slump Sale of Wind mills	-	18,260,239
Other Income	-	513,253
	<u>8,152,184</u>	<u>58,734,845</u>
<b>NOTE - 22</b>		
<b>COST OF RAW MATERIALS CONSUMED</b>		
Purchase during the year	792,318	-
	<u>792,318</u>	<u>-</u>
<b>NOTE - 23</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	-	-
Less: Closing Stock	575,727	-
	<u>(575,727)</u>	<u>-</u>
<b>WORK IN PROGRESS</b>		
Opening Stock-	-	-
Less: Closing Stock	134,022	-
	<u>(134,022)</u>	<u>-</u>
	<u>(709,749)</u>	<u>-</u>
<b>NOTE - 24</b>		
<b>EMPLOYEE BENEFITS EXPENSE *</b>		
Salary, Bonus and Exgratia	667,560	3,954,480
Contribution to Provident Fund	4,710	-
Medical Reimbursement	38,000	58,985
	<u>710,270</u>	<u>4,013,465</u>

\*Includes Managing Director's Remuneration Nil (Previous Year Rs. 36,40,985/-). Current Year's Remuneration charged to Preoperative Expenditure.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
<b>NOTE - 25</b>		
<b>FINANCE COSTS</b>		
Interest Expenses		
To Income Tax Department	1,500	119,927
Other Borrowing Cost		
Bank Charges	—	5,223
	<u>1,500</u>	<u>125,150</u>
<b>NOTE - 26</b>		
<b>OTHER EXPENSES</b>		
Job work Charges	16,585	—
Fuel Expenses	11,475	—
Consumption of Packing Material	2,348	—
Rent	666,068	1,921,841
Repairs & Maintenance		
- Vehicle	26,347	76,484
- Others	—	34,910
Insurance	3,670	13,113
Brokerage paid for Slump Sale	—	1,500,000
Rates and Taxes	85,526	236,180
Directors' Sitting Fee	100,000	156,000
Listing Fee	285,648	339,220
Share Transfer Expenses	332,625	150,534
Electricity Charges	274,317	320,394
Advertisement	32,656	21,120
Legal & Professional Charges	45,250	250,131
Donation	51,000	—
Wind Mill Maintenance	—	2,486,115
Travelling and Conveyance	15,256	1,768,623
Postage and Courier Charges	344,820	851,318
Printing and Stationery	268,812	364,794
Provision for Bad & Doubtful Debts	—	6,284,008
Exports Benefits Receivable written off	—	463,033
Interest Receivable written off	—	146,323
Sundry Balances Written Off	—	169,200
Security Service Charges	573,300	573,300
Loss on Sale of Fixed Assets	17,336	—
Expenditure towards Corporate Social Responsibility (CSR) activities	837,785	—
Auditor's Remuneration		
- As Auditor (excluding Service Tax)	277,750	302,711
- For other Services	178,377	48,540
- For Limited Review Audit	62,700	51,375
Miscellaneous Expenses	148,890	563,311
	<u>4,658,541</u>	<u>19,092,578</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**27) i) Contingent Liabilities not provided for in respect of the following:**

- Income Tax Demand of Rs. 6,25,55,590/- for the Assessment Year 2012-13 disputed in Appeal.
- Income Tax Demand of Rs. 53,43,330/- (Net of advance tax paid Rs. 9,50,000) for the Assessment Year 2013-14 disputed in Appeal.
- Income Tax Demand of Rs. 10,48,080/- (Net of advance tax paid Rs. 1,50,500) for the Assessment Year 2014-15 disputed in Appeal.
- Outstanding Bank Guarantees of Rs. 1,65,19,349/- (Previous year Nil).
- Outstanding Letter of Credit Rs. 5,36,22,213/- (Previous year Nil).

**ii) Commitments**

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for [net of advances Rs. 5,12,70,759/- Previous year Rs. 5,00,000/-] is Rs. 44,87,74,231/- [Previous year Rs.1,93,37,308/-].
- b) Export Obligation in Respect of EPCG Licences US\$ 51,61,842.62/- equivalent to Rs. 33,46,86,649/-.

**28) Retirement Benefits**

Liability in respect of Gratuity upto 31st March, 2017 comes to Rs. 27,69,230/- against which the Company has provided Rs.4,64,346/-. Net liability of Rs.23,04,884/- including Rs.1,73,076/- for the current year remained unprovided in the Financial Statements.

**29)** The Company has not received any information from suppliers regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure, if any, required to be made under the said Act could not be complied and disclosed.

**30) (i)** No provision has been made against carried over balances against Trade Receivables and other Receivables amounting to Rs. 12,10,66,436/- (Previous year Rs. 12,11,05,747/-) from earlier years considered as good and fully recoverable by the management.

(ii) Against Trade Receivables of Rs. 11,09,72,664/- in respect of commodity transactions no amount has been realized during the year. 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. 11,09,72,664/- no provision has been considered at this stage and such Trade Receivables has shown as good and fully recoverable.

(iii) Certain carried over balances from earlier years included in Trade Receivables, Trade Payables, other Current Liabilities and Claim Receivables are subject to confirmation/adjustments.

**31) Earnings per Share (EPS)**

	<b>31.03.2017</b>	<b>31.03.2016</b>
(i) Profits (after tax) attributable to the Equity Shareholders (A)	Rs. 13,40,741/-	Rs.4,80,34,895/-
(ii) Weighted average number of Equity Shares outstanding during the year (B)		
- Basic	92,82,589	82,31,093
- Diluted	1,18,55,000	83,50,219
(iii) Nominal value per Share	Rs.10/-	Rs.10/-
(iv) Earnings per share (A)/(B)		
- Basic	Re. 0.14	Rs. 5.84
- Diluted	Re. 0.11	Rs. 5.75

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**32) Segment Reporting**

The Company's Commercial production is yet to be commenced as such Accounting Standard 17 on "Segment Reporting" is not relevant. However, the Company has sold its sample production during the year.

**33) Related Party Transactions**

Related Party disclosures as required under Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, as certified by the Management, are given below:

**1. Relationship**

**A. Key Management Personnel and their relatives**

- 1) Mr. S.K. Jalan (Managing Director)
- 2) Mr. Ashim Kumar Dutta (CEO)
- 3) Mr. S.G Somani (CFO)
- 4) Mr. Mukesh Sharma ( Company Secretary )

**HUF**

M/s. Bajarang Prasad & Son (HUF) [Mr.S.K. Jalan is Karta]

**B. Enterprises over which Key Management Personnel and relatives of such Key Managerial Personnel Exercise Significant Influence**

- 1) Kilburn Office Automation Limited
- 2) Kilburn Software Technologies Limited
- 3) Shree Durga Agencies Limited
- 4) Supriya Finance Limited (formerly Buckingham Financial Services Limited)
- 5) Pushpdant Vyapaar Private Limited
- 6) Arham Vyapaar Private Limited.
- 7) Maryada Advisory Services Private Limited
- 8) Saket Fiscal Services Private Limited
- 9) Nirvan Commercial Company Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Nature of Transaction	31.03.2017 Rs	31.03.2016 Rs
<b>1. Rent paid</b>		
a) Nirvan Commercial Company Limited*	9,60,000	4,00,000
b) M/s Bajarang Prasad & Son (HUF)*	3,00,000	8,60,000
<b>2. Managerial Remuneration</b>		
Mr. Sandeep Kumar Jalan**	36,21,275	36,40,985
Mr Ashim Kumar Dutta, Chief Executive Officer**	74,73,792	2,14,346
Mr. Sunil Gopal Somani, Chief Financial Officer**	15,85,000	12,46,100
Mr. Mukesh Sharma, Company Secretary	6,96,560	5,09,120
<b>3. Director's Sitting Fees</b>		
Mr. V. Vanchi	16,000	24,000
Mr. Ranjit Chaudhuri	24,000	36,000
Mr. Anand Chatrath	24,000	32,000
Mr. P.K. Bhattacharjee	-	20,000
Mr. Tushar Patel	4,000	4,000
Ms. Mamta Kejriwal	32,000	40,000
<b>4. Refund of Loan given</b>		
Kilburn Office Automation Limited	1,94,704	5,00,000
<b>5. Amount received on Issue of Shares</b>		
M/s Shree Dugra Agencies Limited	1,93,05,000	3,66,60,000
M/s Sandeep Investments Limited	83,36,250	-
M/s Arham Vyapaar Private Limited	70,20,000	-
<b>6. Amount received on allotment of Convertible Warrants</b>		
M/s Shree Dugra Agencies Limited	-	87,75,000
M/s Sandeep Investments Limited	-	27,78,750
M/s Nirvan Commercial Company Limited	-	48,75,000
M/s Anna Vincom Private Limited	-	78,00,000
M/s Arham Vyapaar Private Limited	-	23,40,000
<b>Balances as at 31st March</b>		
<b>1. Investments</b>		
Kilburn Software Technologies Limited	7,50,000	7,50,000
<b>2. Advances against rent</b>		
Late B. P. Jalan	80,000	80,000
Bajarang Prasad & Son (HUF)	25,000	25,000
<b>3. Deposits against rent</b>		
Late B.P. Jalan	48,000	48,000
Bajarang Prasad & Son (HUF)	42,000	42,000

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Nature of Transaction	31.03.2017 Rs	31.03.2016 Rs
<b>4. Loan given</b> Kilburn Office Automation Ltd.	2,48,06,627	2,50,01,331
<b>5. Other Payables</b> Kilburn Office Automation Ltd	-	1,14,793
<b>6. Trades Receivables</b> Kilburn Office Automation Ltd.	33,50,084	35,44,845
<b>7. Personal Guarantee</b> Mr. Sandeep Kumar Jalan	1,66,00,00,000	1,66,00,00,000

\* Rent paid debited to Pre-Operative Expenditure.

\*\* Managerial Remuneration debited to Pre-Operative Expenditure

	31.03.2017 Rs.	31.03.2016 Rs.
<b>34) C. I. F. Value of Capital Goods Imported</b>	11,36,69,187	-
<b>35) Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013.</b>	31.03.2017 Rs.	31.03.2016 Rs.
<b>36) Expenditure in Foreign Currency</b> Travel (purchase of travelers cheques / foreign currencies/ exchange)(as certified)	4,65,160	6,37,934
<b>37) The amount of Rs. 2,13,343/- lying in Unpaid Dividend Account for the year 2008-2009 has been transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under, on 10/11/2016 the due date of which was 30/10/2016.</b>		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

**38) Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification are given below:

Particulars	SBNs*	Other denomination notes	(In Rs.)
			Total
Closing Cash In Hand as on 08.11.2016	NIL	2,32,502/-	2,32,502/-
(+) Permitted Receipts	NIL	4,74,000/-	4,74,000/-
(-) Permitted payment	NIL	3,14,607/-	3,14,607/-
(-)Amount deposited in Banks	NIL	NIL	NIL
Closing Cash In Hand as on 30.12.2016	NIL	3,91,895/-	3,91,895/-

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**39) The previous year's figures have been regrouped, rearranged wherever found necessary**

Signature to Notes 1 to 39

As per our report of even date  
 For V.Singhi & Associates  
 Chartered Accountants  
 Firm Regn No.311017E  
 (Sunil Singhi)  
 Partner  
 Membership No. 060854  
 Place: Kolkata  
 Date: 19.05.2017

**For and on behalf of the Board**  
**A. K. Dutta**                      **S. K. Jalan**  
 Chief Executive Officer          Managing Director  
  
**Sunil G. Somani**                **V. Vanchi**  
 Chief Financial Officer          Director  
  
**Mukesh Sharma**  
 Company Secretary



