



# **KUMAKA INDUSTRIES LIMITED**

(Formerly known as Ashok Organic Industries Limited)

**CIN : L99999MH1973PLC016315**

**40<sup>th</sup>**  
**Annual Report**  
**2013-2014**

**KUMAKA INDUSTRIES LIMITED**

**(Established on 13/02/1973)**

**KUMAKA INDUSTRIES LIMITED**  
**(Formerly known as Ashok Organic Industries Limited)**  
**CIN : L99999MH1973PLC016315**

**40<sup>th</sup> Annual Report**  
**Year - 2013-14**

**Board of Directors:**

Shri Pankaj M. Kadakia	-	Chairman
Dr. Niranjana Pandya	-	Non Executive Independent Director
Shri Shyam P Kadakia	-	Managing Director
Dr. Dhananjay Panchal	-	Non Executive Independent Director
Dr. Shailesh R Modi	-	Non Executive Independent Director

**Auditors:**

M/s. Bhatt Thakker & Co.  
Chartered Accountants,  
Vadodara.

**Registered Office:**

209, 2nd Floor, Marine Chambers,  
43, New Marine Lines, Churchgate  
Mumbai-400 020

**Corporate Office:**

5th Floor, Ram Krishna Chambers,  
B.P.C.Road, Vadodara-390005  
Tel. No. : 0265-2330019; Fax No. : 0265-2333884  
Website: kumakaindustries.com  
E-mail : info@kumakaindustries.com

**Registrar and Transfer Agent:**

**Link Intime India Pvt. Ltd.**

B-102 & 103, Shangrilla Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara-390020.  
Tel. No. : 0265-2356573/6794; Fax No. : 0265-2356791  
Email: alpesh.gandhi@linkintime.co.in

## KUMAKA INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of **Kumaka Industries Limited** will be held on Tuesday, 30<sup>th</sup> September, 2014 at 3.00 p.m. at 2<sup>nd</sup> Floor , Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020, to transact the following business :

#### Ordinary Business :

**Item No. 1.** To receive, consider and adopt the Financial Statement of year ended 31<sup>st</sup> March, 2014 including statement of Profit and Loss account for the year ended 31<sup>st</sup> March, 2014 and Balance Sheet as of that date together and reports of the Directors and Auditors thereon.

**Item No. 2.** To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.  
"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Manoj Majmudar & Co., Chartered Accountants, Vadodara, bearing ICAI Firm Registration No.105884W, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting held thereafter, subject to ratification by the members annually, at such remuneration as may be fixed by the Board of Directors of the Company, in place of M/s. Bhatt Thakker & Co., Vadodara"

#### Special Business :

**Item No. 3.** To appoint Mr. Pankaj Kadakia (DIN: 00166339) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Mr. Pankaj Manilal Kadakia (holding DIN 00166339), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> July, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 134 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

**Item No. 4.** To appoint Dr. Niranjana Maneklal Pandya (DIN : 00385689) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Niranjana Maneklal Pandya (DIN: 00385689) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 ( Five ) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

**Item No. 5.** To appoint Dr. Dhananjay Ichharam Panchal (DIN: 02988364) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Dhananjay Ichharam Panchal (DIN: 02988364) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

**Item No. 6.** To appoint Dr. Shailesh Ramanlal Modi (DIN: 06457903) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Shailesh Ramanlal Modi (DIN: 06457903) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019."

## KUMAKA INDUSTRIES LIMITED

**Item No. 7**    **To Increase in Borrowing limits of the Company.**

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

“RESOLVED that in supersession of all the resolutions passed under Section 293(1) (d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs.100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**Item No. 8.**    **To Create Charges on the assets of the Company.**

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

“RESOLVED THAT in supersession of all the resolutions passed under Section 293(1) (a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs.100 Crores (Rupees One Hundred Crores) at any one time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

**Item No. 9.**    **To make any loans or investments and to give any guarantees or to provide security.**

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

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors to make any loans or investments and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, a body corporate as the Board of Directors may think fit, for an amount not exceeding Rs.100 Crores (Rupees One Hundred Crores), at a one time, as detailed in the attached explanatory statement, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186(2) of Companies Act, 2013 as in their absolute discretion deem beneficial and in the interest of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company, be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments or loans made or guarantees given or securities to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**Item No. 10.**    **To alter Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the Articles of Association of the Company be and is hereby altered by adding sub article (ii) of ( c ) of the existing regulation 102 as under;

102 (c)(ii).        The Board may decide that the Managing Director / Whole time Director shall also hold the office of Chairman of the Company .”

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“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to take all such steps and actions and to all give directions as it may in its absolute discretion deem necessary for and on behalf of the Company.”

Date: 12-07-2014

For and on behalf of the Board of Directors,

Place: Vadodara.

Pankaj Kadakia

Chairman

### NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to:
  - (a) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
  - (b) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Annual Report and AGM Notice is available at the website of the Company at [www.kumakaindustries.com](http://www.kumakaindustries.com) in the Investor Relations section.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 20<sup>th</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. Members desirous of obtaining any information in respect of Accounts of the Company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
11. Pursuant to SEBI circular, it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore, the transferee(s)/ legal heirs are required to furnish a copy of their PAN to the Registrars and Transfer agents, M/s. Link Intime India Pvt. Ltd.
12. Electronic copy of the Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Ballot Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip, Proxy Form and Ballot Form is being sent in the permitted mode.
13. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

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### SECTION A - E-VOTING PROCESS –

- Step 1: Open your web browser during the voting period and log on to the e-Voting Website: [www.evotingindia.com](http://www.evotingindia.com).
- Step 2: Click on "Shareholders" to cast your vote(s)
- Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. "140825061" along with "COMPANY NAME" i.e. "Kumaka Industries Limited" from the drop down menu and click on "SUBMIT".
- Step 4 : Please enter User ID –
- For account holders in CDSL :- Your 16 digits beneficiary ID
  - For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 5: Enter the Image Verification as displayed and Click on Login
- Step 6: If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- Step 7: If you are a first time user follow the steps given below:
- 7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.  
For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
  - 7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#
  - 7.3 Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account#  
# Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. 29<sup>th</sup> August, 2014 in the Bank details field.
- Step 8: After entering these details appropriately, click on "SUBMIT" tab.
- Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.  
Members holding shares in physical form will then directly reach the Company selection screen.
- Step 10 : Click on the EVSN of the Company i.e. **140825061** to vote.
- Step 11 : On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.
- Step 12 : Click on the Resolution File Link if you wish to view the Notice.
- Step 13 : After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Step 14 : Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

### SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- The e-Voting period commences on 24<sup>th</sup> September, 2014 (9.00 a.m.) and ends on 26<sup>th</sup> September, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date (record date) of 29<sup>th</sup> August, 2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- CS Jayesh Vyas, Practising Company Secretary (Membership No.: FCS 5072; CP No: 1790) (Address: 1-B, Sarabhai Colony, Gotri Road, Near General Hospital, Vadodara – 390 021, Gujarat India) has been appointed as the Scrutinizer to scrutinize the e-Voting process.

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- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of thee-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kumakaindustries.com](http://www.kumakaindustries.com) and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### Contact Details

- Company** : KUMAKA INDUSTRIES LIMITED  
Regd. Office: 209, 2nd Floor, Marine Chambers  
43, New Marine Lines, Churchgate, Mumbai -400 020.  
Telephone : 0265- 2330019  
Tel. Fax : 0265-2333884  
E-mail : [info@kumakaindustries.com](mailto:info@kumakaindustries.com)  
CIN : L99999MH1973PLC016315  
Website : [kumakaindustries.com](http://kumakaindustries.com)
- Registrar and Transfer Agent** : Link Intime India Private Limited  
B-102 & 103, Shangrilla Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara-390020.  
Tel. No. : 0265-2356573/6794; Fax No. : 0265-2356791  
Email: [alpesh.gandhi@linkintime.co.in](mailto:alpesh.gandhi@linkintime.co.in)
- e-Voting Agency** : Central Depository Services (India) Limited  
E-mail ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- Scrutinizer** : CS Jayesh Vyas,  
Practicing Company Secretary  
E-mail ID: [cs.jayeshvyas@hotmail.com](mailto:cs.jayeshvyas@hotmail.com)  
Phone: 09376212649

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.

## KUMAKA INDUSTRIES LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") :

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item No. 2 :**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Bhatt Thakker & Co. (Firm's Registration No. 124010), Chartered Accountants, Vadodara were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on 27th August, 2013.

The Company has received Special Notice dated 12th July, 2014, in terms of Section 115 of the Companies act, 2013 from a Shareholder signifying his intention to move at the ensuing Annual General Meeting of the Company, a resolution to be an Ordinary Resolution for appointment of M/ s. Manoj Majmudar & Co., Chartered Accountant, Vadodara as the Statutory Auditor in place of retiring Auditor M/s. Bhatt Thakker & Co., Chartered Accountant, Vadodara, pursuant to Section 140 of Companies Act, 2013.

The Company has also received a certificate from M/s. Manoj Majmudar & Co., Chartered Accountants, stating their eligibility for appointment as statutory auditors of the Company.

Members are requested to consider the business and appoint /reappoint the Chartered Accountants as the Statutory Auditors of the Company, for a period of five years, to hold office from the conclusion of this AGM till the conclusion of the 45th AGM of the Company to be held in the year 2019, subject to ratification of their appointment at every AGM.

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution at Item No. 2 of the Notice.

#### **Item No. 3 :**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Pankaj Manilal Kadakia as an Additional Director of the Company with effect from July 12, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Pankaj Manilal Kadakia would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pankaj Manilal Kadakia for the office of Director of the Company.

Mr. Pankaj Manilal Kadakia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Pankaj Manilal Kadakia possesses appropriate skills, experience and knowledge; *inter alia*, in the field of Industrial and Corporate Management.

Brief resume of Mr. Pankaj Manilal Kadakia, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Pankaj Manilal Kadakia is appointed as a Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Save and except Mr. Pankaj Manilal Kadakia and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors except Mr. Shyam Kadakia / his relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

#### **Item Nos. 4, 5 & 6 :**

It is proposed to appoint Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi for the office of Directors of the Company. The Company has also received declarations from Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi that they meet with the criteria of independence as prescribed both under sub-section (6) of Section



## KUMAKA INDUSTRIES LIMITED

149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are independent of the management.

Brief resume of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are annexed to the notice Copy of the draft letters for respective appointments of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock.

Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi are interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice with regard to their respective appointments. The relatives of Dr. Niranjana Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 & 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors of the Company are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4, 5 & 6 of the Notice for approval by the shareholders.

### **Item No. 7 :**

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.100 Crores (Rupees One Hundred Crores), in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives is concerned or interested in the above resolution.

### **Item No. 8 :**

For creation of security through mortgage or pledge or hypothecation or otherwise or through combination for securing the limits as may be sanctioned by the lenders, for the loans to be sanctioned by any one or more Company's bankers and /or by any one or more persons, firms, bodies corporate, or financial institutions or banks, the Company would be required to secure all or any of the movable and immovable properties of the Company present and future. Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, Pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members is hereby proposed to be accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs.100 Crores (Rupees One Hundred Crores), at any one time.

Members are requested to consider to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013 as proposed, authorizing the Board of Directors or its committees to mortgage / charge the properties and/or the whole or substantially the whole of the undertaking of the Company as aforesaid to the lenders. Mortgaging / charging the properties of the Company require approval of Members in the General Meeting pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

Your Directors recommend the above Special Resolution for your approval.

None of the Directors, Key Managerial Persons of the Company and their relatives is concerned or interested in the above resolution.

### **Item No. 9 :**

To aid the financial requirements of its Associates, Companies belong to the Group and other Bodies Corporate, the Company makes investments and gives loans to them subsidiary companies as and when needed. The Company also provides corporate guarantees on behalf of its subsidiary companies to the banks/financial institutions for the financial assistance provided by them.

## KUMAKA INDUSTRIES LIMITED

As per Section 186 of the Companies Act, 2013, a Company can give a loan to bodies corporate or give any guarantees or make investments in the securities of any other body corporate with the approval of the Board of Directors if the same is within the permissible limit of either 100% of free reserves or 60% of the paid up share capital and free reserves.

Inter-corporate loans and investments can be made above the aforesaid limits if the Company has prior approval from its members by a Special resolution.

Since the amount of investments /loans / corporate guarantees proposed to be made by the Company exceeds the prescribed limit, this permission is sought to enable the Board of Directors with powers for making further investments/ loans/ guarantees and providing securities, whenever required on need basis for an amount not exceeding Rs.100 Crores (Rupees One Hundred Crores),

Approval of shareholders of the Company, by way of Special Resolution, is sought to authorize the Board of Directors to make the following Investments/ loans/ Corporate Guarantees as may be required from time to time.

These investments, loans, guarantees and securities are made / proposed to be made out of own /surplus funds internal accruals / borrowed funds, the objective of which is optimum utilization of funds of the Company and also to achieve long term strategic and business objectives. The investments, loans, guarantees and securities will be made on terms and conditions most beneficial to the Company and at prevailing market rates.

The Directors are satisfied that this resolution would be in the interest of the Company and its members and accordingly recommend the Resolutions for your approval.

The Board recommends the Resolution for adoption.

Directors, Key Managerial Personnel and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company.

### **Item No. 10 :**

#### **Amendment of Article No. 102(c)(ii)**

Under the first proviso to Section 203 (1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or reappointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the managing director or Chief Executive Officer of the Company at the same time after the date of commencement of this Act unless,—

- (a) the articles of such a Company provide otherwise; or
- (b) the Company does not carry multiple businesses:

Accordingly an enabling provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson and Managing Director.

Article No. 102(c)(ii) as contained under Resolution No. 10 contains the proposed amendment which grants necessary right to the Board to appoint the same person as Chairman and Managing Director.

Pursuant to provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of Articles of Association of the Company requires the approval of the members by way of Special Resolution.

The Board recommends the special resolution as set out in Resolution No. 10 of the Notice for members' approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said resolution.

The draft of the amendments to the Articles of Association of the Company will remain open for the inspection of the Members at the Registered Office of the Company on all working days except Public Holidays and Saturday and Sundays between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting of the Company.

**Date: 12-07-2014**  
**Place: Vadodara.**

**For and on behalf of the Board of Directors,**

**Pankaj Kadakia**  
**Chairman**

**KUMAKA INDUSTRIES LIMITED**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**  
(Pursuant to Clause 49 of the Listing Agreement)

<b>Particulars</b>	<b>Mr. PANKAJ MANILAL KADAKIA</b>	<b>Dr. NIRANJAN MANEKLAL PANDYA</b>	<b>Dr. DHANANJAY ICHHARAM PANCHAL</b>	<b>Dr.SHAILESH RAMANLAL MODI</b>
<b>Date of Birth</b>	16/09/1950	01/06/1939	21/08/1942	28/07/1969
<b>Date of Appointment</b>	12/07/2014	20/11/2009	10/08/2013	24/12/2012
<b>Qualifications</b>	M.S (Polymer Materials) from Polytechnic Institute of Brooklyn, New York, USA. B.S (Chemical Engineering) B.Sc., (Chemistry) from Bombay University.	B.A.(Economics) M.A(Economics) Ph.D.(Economics) Ph.D thesis on "Working of the International Monetary System: A Critical Evaluation"	Ph.D, M.sc	Ph.D, M.phill and M.Sc in Organic Chemistry
<b>Expertise in specific functional areas</b>	Execution of various Projects of the Company successfully and their Marketing and Financial Management.	Teaching Experience of more than 30 years at Graduate and Post Graduate level. Taught International Economics, Classical Economics and Agricultural Economics at M.A.	Expertise in Technical Matters and Research and Development of New Products.	Expertise in development of New Products.
<b>Chairmanships / Directorships of other public limited Companies (excluding Foreign Companies and Section 25 Companies)</b>	Ashok Cellulose Limited  Kadokia Alkalies and Chemicals Limited	—	—	—
<b>Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)</b>		—	—	—
<b>Number of shares held in the Company</b>	2829450	100	100	—

# KUMAKA INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors submit their 40<sup>th</sup> Report together with the Statement of Account for the year ended on 31st March 2014.  
Following figures summarizes the financial performance of the Company during the year under review.

### Financial Results : (Rs. in Lacs )

Particulars	2013-14	2012-13
Gross Income	577.63	612.00
Profit before Finance Cost & Depreciation	447.48	341.95
Less : Finance Cost	0.40	0.16
Depreciation	8.35	6.91
Profit before Tax	438.73	334.88
Provision for Taxation	-	-
Profit/(Loss) for the year	438.73	334.88
Balance Brought forward of earlier years Profit/(Loss)	(22700.39)	(23,035.27)
Balance carried to Balance Sheet	(761.66)	(22,700.39)

### Dividend :

In view of carried forward loss, the Board regrets its inability to recommend payment of Dividend for the year under review.

### Operations :

As the members are aware, Operations of the Company has been suspended since year 1999 due to non viability and disposed unutilized surplus assets to meet the Statutory Liabilities of the Company. The Company met with its past financial obligations towards banks and financial institutions and now embarking upon recommencement of its Operations.

The Company is on anvil to commence Pharmaceutical Unit at Ankleshwar to manufacture High Potent Active Pharmaceutical Ingredients (HPAPI).

We are happy to inform that we have received GPCB Permission and Necessary Drug Licence in other registration. We have already installed the Plant and have already started the trial production. We hope to start commercial production from September.

The Company is in process of mobilizing necessary working Capital.

### Future Prospects :

Overall Pharma Industry growth is upswing and the consumption of the products we are going to manufacture, not only in India but overall the World, is increasing. Management is very optimizing on the Pharma product.

As regards to Sterilization, the Government has realized the importance and need of the product in order to overcome the fluctuation in the Food Grain, Pulses and Vegetable markets.

As regards to the Sterilization Project, most of the Civil Drawings are ready and the Management is in the process of mobilizing the term loan for this project.

### Directors' Responsibility Statement :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm based on the confirmation received from the operating management that;

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed.

- (ii) the Directors have selected such accounting policies as mentioned in Schedule 18 to the accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2014 and of the profit of the Company for that period.
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

### Management's Discussion and Analysis Report :

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

### Subsidiary Company :

The audited statement of account along with the Directors' Report for the year ended 31st March, 2014 of Kadakia Alkalies and Chemicals Limited are annexed to this report. Your Directors have reviewed the affairs of the Subsidiary Company also.

### Directors :

As per the provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Dr. Niranjan Maneklal Pandya, Dr. Dhananjay Ichharam Panchal and Dr. Shailesh Ramanlal Modi, are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from September 30, 2014.

During the year under review, Mr. Pankaj Kadakia resigned as Chairman & Managing Director effective from 10/08/2013 due to his personal reason, however he was again appointed as additional Director by the Board of Directors at their meeting held on 12/07/2014 and he holds office as director till the date of ensuing Annual General Meeting. He has consented to act as Director of the Company, if appointed at the ensuing Annual General Meeting.

Dr. Niranjan Maneklal Pandya has relinquished position of the Chairman of the Company and continue to act as an Independent Director of the Company, The Board places an records its sincere appreciation for the contribution given by him during his tenure ship as Chairman of the Company. The Board has unanimously elected Mr. Pankaj Kadakia as the Non Executive Chairman of the Company, effective from 12/07/2014, in the place of Dr. Niranjan Maneklal Pandya.

Members are requested to consider their appointments.

### Audit Committee :

The Audit Committee as constituted with Independent Directors, in terms of Clause 41 of the Listing Agreement and Section 292A of the Companies Act, 1956, performed inter alia the work assigned to it as laid down there under, during the year under review.

### Consolidated Financial Statement:

In accordance with the Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates, the audited consolidated financial statement is provided in the Annual Report.

## KUMAKA INDUSTRIES LIMITED

### **Subsidiaries:**

Details of M/s. Kadakia Alkalies and Chemicals Limited the wholly owned subsidiary of the Company and their business operations during the year under review are covered in the Management's Discussion and Analysis Report.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

### **Corporate Governance:**

Your Company has always been striving to incorporate appropriate standards and Code of Conduct for good Corporate Governance and has therefore complied with all the mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreements of the BSE Limited with which the Company's shares are listed.

A separate report on Management discussion and Analysis and on Corporate Governance is annexed as part of the Annual Report along with Certificate of Practising Company Secretary on the compliance, are enclosed as Annexure 'A' and Annexure 'B' respectively.

### **Report on Corporate Social Responsibility:**

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other Participants to ensure a positive impact and its commitment towards corporate social responsibility. The Company's commitment to excellence in education is embedded in the Company's core values.

The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact. The Company intends to initiate to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations in coming future.

### **Accounts & Finance:**

Observation and remarks made by the Statutory Auditors in their Report are self explanatory and do not call for further clarification and explanation.

### **Auditors:**

The Company has received a Special Notice dated 12<sup>th</sup> July, 2014, in terms of Section 115 of the Companies act, 2013 from a shareholder signifying his intention to move at this Annual General Meeting of the Company, a resolution to be an Ordinary Resolution for appointment of M/s. Manoj Majmudar & Co., Chartered Accountant, Vadodara as the statutory Auditor in place of retiring Auditor M/s. Bhatt Thakker & Co., Chartered Accountant, Vadodara, pursuant to Section 140 of Companies Act, 2013.

The Company has, on 12<sup>th</sup> July, 2014, informed the M/s. Bhatt Thakker & Co. Chartered Accountants, in this respect in terms of Section 140(4)(ii). and inviting their representation

The Members are requested to consider appointment of M/s. Manoj

Majmudar & Co., Chartered Accountant, Vadodara for a period of 5 years bas the statutory Auditor in place of retiring Auditor M/s. Bhatt Thakker & Co., Chartered Accountant, Vadodara

### **Secretarial Audit Report:**

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Mr. Jayesh Vyas, Practising Company Secretary, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

### **Statutory Disclosures:**

During the year under review, Company has carry out initial production however it has not commence any Commercial Production, hence information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is furnished. There was no foreign Exchange inflow or outflow during the year under review.

There were no employees covered as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended hence such details are not furnished.

### **Listing of Equity Shares:**

The Company's equity shares are listed with BSE Limited. The Company has complied with listing requirement except Rule 40A of Listing Agreement. The Company is in process of Complying same and thereby revoke suspension in trading of its Equity Shares at BSE Limited The Board is hopeful for recommencement of trading in its shares at BSE Limited, with their active support of Stock Exchange, in time to come.

### **Fixed Deposit:**

Your Company has not accepted fixed deposits from the public.

### **Acknowledgement:**

Your Directors wish to place on record their appreciation of the contributions and co-operation received from all the concerned. Your Directors are also grateful to the Shareholders for their continued trust and confidence.

**For and on behalf of the Board of Directors,**

**Date: 12/07/2014**

**Place: Vadodara.**

**Pankaj Kadakia  
Chairman**

## KUMAKA INDUSTRIES LIMITED

**Information in accordance with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.**

**A. CONSERVATION ENERGY:**

- (a) Energy Conservation measure taken :  
Optimum batch size, Elimination idle running time and Inventor planning control.
- (b) Additional Investment proposal being implemented for reduction consumption energy:  
The Company has ongoing study and survey of actual energy consumption. Less efficient equipments are being replaced with efficient equipments.
- (c) Impact the measures (a) and (b) above for reduction of energy consumption and consequent impact the cost production goods:  
The measure take have resulted in saving the cost of production.

(d) Detail Energy Consumption for production

	2013-14	2012-13
a. Power and fuel Consumption :		
1. Electricity		
(a) Purchased Unit Nos.	1164.55	—
Total Amount Rs.	49,633	—
Rate/Unit Rs	42.62	—
(b) Own Generation		
(i) Through diesel Generator.	—	—
Units(Kwh.)	—	—
Units per liter	—	—
diesel oil	—	—
Cost / Units	—	—
(ii) Through Steam turbine /Generator	N.A	N.A.
2 Coal (Specify quality whereas used )	N.A	N.A.
3 Furnace Oil, Qty(K. Liters)	N.A.	N.A.
Total Amount Rs.	N.A.	N.A.
Average Rate Rs. (Per Lit)	N.A.	N.A.
4 Other internal Generation	N.A.	N.A.

**b. Consumption per unit production :**

There are number of products with different sizes, shape and other parameters being manufactured by the Company, hence, it is not feasible to give information of fuel consumption per unit of production.

**B. TECHNOLOGY ABSORPTION:**

**Research Development and Technology Absorption:**

Considering the size the units and nature products the avenue for are very limited and therefore not applicable.

**C. FOREIGN EXCHANGE EARNING AND OUT GO :**

**Total Foreign Exchange used and earned : (In Rs.)**

	2013-14	2012-13
i) Foreign Exchange earned	NIL	NIL
ii) Foreign Exchange used	NIL	NIL

**For and on behalf of the Board,**

Date: 12/07/2014  
Place: Vadodara

Shyam Kadakia  
Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS**

**i. Industry Structure and Development & Outlook:**

**1. Pharmaceutical Project :**

Global multinational drug companies' need to outsource manufacturing to low-cost destinations like India has turned out to be a boon for leading drug Companies in India. With the patent of various drugs expiring in the next 5 years Indian API manufacturer are poised to see steady growth in the near future.

In the changing global drug manufacturing landscape, profitability in multinational drug Companies is under pressure from patent expirations, pricing challenges and falling research and development productivity. As a result, Multinational Companies are closing their manufacturing units in the developed world and moving production to low-cost destinations.

**Outlook :**

The Indian Pharmaceutical Industry is currently valued at \$22 billion and stands 3rd largest in terms of volume and 13th in terms of value. The sector is growing at a rate of 14% per annum. The growth of the sector has been driven by high quality and competitively priced medicines for domestic and global markets covering both developing and highly regulated markets of US and EU. Access to medicines is critical to the provision of equitable, affordable and quality healthcare. Indian Pharma Industry has made significant progress in access to medicines both at national & international levels during the past decades. In the recent past, The Indian Pharma Industry needs to explore the use of such innovative methods to improve accessibility and fast delivery of medicines in the country and in the world.

**2. Sterilization Project:**

Your Company has planned to go for Sterilization Unit to sterilize fresh fruits & vegetables, Medical disposables, cereals & pulses, pet food, spices and ayurvedic herbs and chilled meat, poultry products and sea food by latest technology.

Plant is going to be set up in Sanand GIDC-II, Gujarat. The strategic location of plant makes it advantageous to use Ahmedabad International airport for exports Saurashtra is the major hub for fisheries and North Gujarat is hub for Medical Disposables, cereals & pulses, spices & Ayurvedic Herbs, chilled Meat, Poultry Products and Sea food.

**Outlook**

According to New Food Rules, 2012, there are many products added to the list hence making it compulsory for producers to

get their produce sterilized. Also sterilization is the only way they can increase the shelf life of the product without deteriorating the taste of the produce. Certain produce that are being sterilized are marine products, meat, species, onion powder etc.

**ii. Segment-Wise Performance :**

The company is currently in the organic chemical segments. However during the year the company was out of activity.

**iii. Opportunities, Threats, Risks and Concerns:**

With the outdated technology of the alcohol and alcohol base products of the company the management believes that it is the right time to change the product. The global scale of operations in the commodity business has also increased making the current plants of company unviable.

On the other hand the management of the company is extremely optimistic of entering pharmaceutical manufacturing segments and believes that the company's asset base provides an ideal infrastructure for the proposed therapeutic segment.

**iv. Financial Performance :**

The core manufacturing activity was inoperative. A summary of the financial performance is disclosed in the Director's Report.

**v. Internal Control Systems and Adequacy:**

As stated above, during the year the plant of the company remained out of operations. However, whatever transactions took place were closely monitored with proper checks and controls.

**vi. Human Relations :**

There has been cordial relations in the company during the period.

**vii. Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include financial position of the company, economic conditions affecting demand / supply, price conditions in the domestic and overseas market in which the company operates, changes in the government regulations, tax laws and other statutes.

**REPORT ON CORPORATE GOVERNANCE**

**1. Company's Philosophy**

The Company believes in good corporate Governance in tune with the guidelines recommended by SEBI and in terms of the Listing Agreement.

Given below is the report of the Board of Directors of the Company on Corporate Governance practices being followed by the Company.

**2. Board of Directors**

The Board of Directors as at 31-3-2014 comprised of Five Directors with the One non Executive independent Chairman with other Two non Executive Independent Directors, with Two Executive Directors. During the year, Six Board Meetings were held on 18-04-2013, 28-05-2013, 10-08-2013, 28-09-2013, 14-11-2013 and 13-02-2014.

The Composition of the Board of Directors and their attendance at the Board meetings during the year and the last Annual General Meeting are as follows:

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other companies in which he is directors/chairman	No. of Committees of other companies in which he is a member/chairman
Mr. Pankaj Kadakia*	Chairman	3	Yes	4	--
Dr. Niranjana Pandya	Non-Executive Independent Director	5	Yes	--	--
Dr. Dhananjay Panchal**	Non-Executive Independent Director	5	Yes	--	--
Mr. Kamleshwar Tandon***	Non-Executive Independent Director	2		--	--
Mr. Shyam Kadakia	Managing Director	4	Yes	1	--
Dr. Shailesh Modi	Director	6	Yes	--	--

\* Ceased to be a Chairman & Managing Director on resignation with effect from 10-08-2013

\*\* Appointed as Director with effect from 10-08-2013

\*\*\* Ceased to be the Directors from 10-08-2013

None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committees of the Board in more than 10 Committees or Chairman of more than 5 Committees.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

**Shareholding of Directors:**

Name of Directors	No. of Shares held	% to the Capital
Shri Pankaj M. Kadakia	28, 29,450	23.41
Shri Shyam P Kadakia	29, 23,250	24.19

**3. Audit Committee:**

The Board has constituted Audit Committee pursuant to Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with BSE Limited with the required terms of reference as per the above referred statutory requirements.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The Committee consisted with three Independent Directors and one Executive Director viz. Dr. Dhananjay I. Panchal, Dr. Niranjana M. Pandya, Mr. Kamleshwar S. Tandon and Mr. Shyam Kadakia with Dr. Dhananjay Panchal, as the Chairman. The Committee met on 18-04-2013, 28-05-2013, 10-08-2013, 14-11-2013 and 13-02-2014.

During the year, the attendance of the members at the meetings was as follows:

Name of Members	Status	No. of Meetings Held	No. of Meetings Attended
Dr. Dhananjay Panchal	Chairman	5	4
Dr. Niranjana M. Pandya	Member	5	4
Mr. Kamleshwar Tandon*	Member	5	2
Mr. Shyam P. Kadakia	Member	5	3

\* Ceased to be the Directors from 10-08-2013



## KUMAKA INDUSTRIES LIMITED

The Company has not denied any personnel, access to the Audit Committee of the Company and the situation has not arisen to provide protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.

#### 4. Remuneration Committee:

The Committee consists of Two Independent Directors and one Executive Director viz. Dr. Niranjana M. Pandya, Dr. Dhananjay Panchal and Mr. Shyam P. Kadakia. The Chairman of the Committee is Mr. Dr. Niranjana M. Pandya. No meeting of Remuneration Committee was held during the year under review.

The Remuneration Committee has been constituted to recommend / review remuneration of the Executive Directors based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration paid to Executive Directors is approved by the Board of Directors on the recommendations of the Remuneration Committee and by the Shareholders at the Annual General Meeting, within the overall limit fixed under the law. No other Directors is being paid remuneration.

During the year 2013-14, the Remuneration Committee has not met during the year.

The aggregate value of salary and perquisites including Company's contribution to provident fund and gratuity fund etc., for the year ended March 31, 2014 paid to Mr. Pankaj Kadakia, the Chairman & Managing Director and Mr. Shyam Kadakia, the Managing Director are as follows :

Name of Director	Salary	Benefits Perquisites and Allowances	Total	Stock Options granted
Mr. Pankaj Kadakia Chairman & Managing Director (up to 10/08/2013)	4,00,000	Nil	4,00,000	Nil
Mr. Shyam Kadakia Managing Director (w.e.f. 24/12/2012)	9,00,000	Nil	9,00,000	Nil

Mr. Shyam Kadakia, the Managing Director is relative of Mr. Pankaj Kadakia. Mr. Shyam Kadakia was appointed as Managing Director for a period of 3 years with effect from 24th December, 2012, is under the contractual agreement which can be terminated by either party giving three months' notice in advance.

Non Executive Directors do not draw any remuneration. However, they were paid per meeting, sitting fees @ Rs.1000/- for Board Meeting and @ Rs. 250/- for each Committee Meeting, during the year under review.

Details of sitting fees paid to Non Executive Directors during the year 2013-2014 are as under.

<u>Name of Directors</u>	<u>Sitting Fees paid</u>
Dr. Niranjana Pandya	Rs.6,250
Dr. Dhananjay Panchal	Rs. 6,250
Dr. Shailesh R Modi	Nil

As of now, the Company does not have any employee stock option plan.

There were no other pecuniary relationships or transactions of the Non Executive Director vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

#### 5. Shareholders'/ Investors' Grievance Committee:

The Committee consisted with Two Independent Directors viz. Dr. Niranjana M. Pandya and Dr. Dhananjay Panchal with One Professional executive- Non Promoter Director Dr. Shailesh P. Modi with Dr. Niranjana M. Pandya, as the Chairman. One Meeting was held on 14th November, 2013, which was attended by all the members.

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like

## KUMAKA INDUSTRIES LIMITED

transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

As on 31.03.2014, there were no Investor Grievances remaining unattended / pending to more than 30 days.

### 6. General Body Meetings:

Particulars of the last three Annual General Meeting held and Special Resolutions passed thereat are as under.

Date	Time	Place	Special Resolution
27-08-2013	2.00 p.m.	3rd Floor, Walchand Centre, Training Room, Indian Chamber of Commerce, Church Gate, Mumbai-400 020	None
25-09-2012	2.00 p.m.	3rd Floor, Walchand Centre, Training Room, Indian Chamber of Commerce, Church Gate, Mumbai-400 020	None
05-08-2011	2.00 p.m.	R.S. Bhatt Seminar Room, Above Patker Hall, S N D T Women University, New Marine Lines, Mumbai-400 020	Re-appointment of Mr. Pankaj M. Kadakia as Managing Director for a period of 3 years.

The Company did not pass any resolution vide Postal Ballot during the year.

### 7. Disclosures :

- (a) There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- (b) No penalties or strictures have been imposed on the Company by SEBI or any Statutory Authority on any matter related to capital markets. The Company's scrip has been temporarily suspended for trading on noncompliance of some listing requirements.

### 8.1 Compliance of Mandatory Requirements :

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreement with the BSE Ltd.

### 8.2 Compliance of Non Mandatory Requirements:

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are supplied to shareholders on demand and are posted on Company's web site. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

### 8.3 Code of Conduct:

The Board of Directors of the Company have adopted Code of Conduct for all Board Members of the Company. The Company has no distinct level of senior management from the Board since operations of all plants were suspended due to economic reasons. The Board members have affirmed compliance to the Code of Conduct. The Company has been posting on its website, the Code of Conduct adopted by its Directors.

### 9. Means of Communication:

The quarterly, half-yearly and yearly financial results of the Company are normally sent to the BSE, immediately after the same are approved by the Board. Though, due to financial difficulties the results could not be published in newspapers, they are submitted to the BSE in accordance with the Listing Agreement and are supplied through E-Mail & posts to the Shareholders, on demand.

### 10. General Shareholder Information:

#### (a) 40<sup>th</sup> Annual General Meeting

Date and Time : 30<sup>th</sup> September, 2014 at 3.00 p.m.

Venue : 2<sup>nd</sup> Floor, Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai-400 020

#### (b) Financial Calendar

Board Meeting to approve

Unaudited Financial results for the Period

## KUMAKA INDUSTRIES LIMITED

Quarter ending September 31<sup>st</sup>, 2014 : By 14<sup>th</sup> of November, 2014  
 Quarter ending December, 31<sup>st</sup>, 2014 : By 14<sup>th</sup> of February, 2015  
 Quarter ending March, 31<sup>st</sup>, 2015 : By 30<sup>th</sup> May, 2015  
 Quarter ending June 30<sup>th</sup>, 2015 : By 14<sup>th</sup> of August, 2015.  
 Annual General Meeting for the : By end of September, 2015  
 Year ending on 31<sup>st</sup> March, 2015.

- (c) **Dates of Book Closure** : From Saturday, the 20<sup>th</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014 (both days inclusive)
- (d) **Dividend payment Date** : Not Applicable
- (e) **Listing on Stock Exchange** : BSE Ltd.
- (f) **Company Code** : 526923
- (g) **Market Price Data:** Trading in Equity Shares had been suspended by the BSE Limited (BSE) and therefore details of Market Price of shares are not presented.

(h) **Registrar and Share Transfer Agent:**

Link Intime India Pvt. Ltd  
 B-102 & 103, Shangrilla Complex,  
 First floor, Opp. HDFC Bank,  
 Near Radhakrishna Char Rasta, Akota,  
 Vadodara-390020.  
 Email: alpesh.gandhi@linkintime.co.in

(j) **Share Transfer System:**

Shares lodged for transfer in physical form are processed and duly transferred Share Certificates are sent within 15 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.

(k) **Distribution of Shareholding :**

(i) The Distribution of Shareholding as on 31<sup>st</sup> March, 2014.

No of Shares	No. of Share holders	% of Share-holders	No. of Shares Held	% Value of Shareholders
Up to 500	9,628	97.64	10,33,250	8.55
501 to 1000	136	1.38	1,04,875	0.87
1001 to 2000	46	0.47	66,675	0.53
2001 to 3000	19	0.19	48,725	0.40
3001 to 4000	5	0.05	18,700	0.16
4001 to 5000	7	0.07	31,900	0.27
5001 to 10000	6	0.06	53,500	0.45
10001 & above	14	0.14	1,07,28,000	88.77
<b>Total</b>	<b>9861</b>	<b>100.00</b>	<b>1,20,85,625</b>	<b>100.00</b>

(ii) **Share holding Pattern as on 31<sup>st</sup> March, 2014 :**

Associates	No. of Shares held	% of shareholding
1. Directors & Relatives (Promoters)	1,05,82,150	87.56
2. Mutual Funds/ UTI	10,200	0.08
3. Banks/Financial Institutions	100	0.00
4. Other Corporate Bodies	67,150	0.56
5. Indian Public	14,26,025	11.80
<b>TOTAL</b>	<b>1,20,85,625</b>	<b>100.00</b>

## KUMAKA INDUSTRIES LIMITED

- (l) Outstanding GDRs / ADRs Warranty : Not Applicable
- (m) Plants Location : (i) 318/319, G. I. D. C. Industrial Estate, Ankleshwar, Dist. Bharuch.
- (n) Address of Correspondence : Registrar & Transfer Agents  
Link Intime India Private Limited.  
B-102 & 103, Shangrila Complex, 1st Floor,  
Opp.HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara - 390 020  
Phone No. : 0265-2356573 - 2356794, Fax No. 0265-2356794.  
Email : alpesh.gandhi@linkintime.co.in
- And  
Kumaka Industries Limited  
Corporate Office of the Company at 5th Floor, Ram Krishna Chambers,BPC Road,  
Vadodara -390007.

### **DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2014.

**For Kumaka Industries limited**

**Shyam Kadakia  
Managing Director**

## KUMAKA INDUSTRIES LIMITED

### REPORT OF AUDITORS ON CORPORATE GOVERNANCE

To  
The Members,  
**Kumaka Industries Limited.**  
Mumbai

We have examined the compliance of conditions of Corporate Governance by Kumaka Industries Limited for the year ended 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee and the Company.

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 Bhatt Thakkar & Co.**  
**Chartered Accountants**

**Place : Vadodara**  
**Date : 12-07-2014**

**Mukesh L. Thakkar**  
Partner  
Membership No. : 044517 ; Firm No.124010W

### CERTIFICATE

To,  
The Board of Directors,  
**Kumaka Industries Limited.**  
Mumbai.

This is to certify that;

We have reviewed financial statements and the Cash Flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

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,

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

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee,

- Significant changes in Internal Control during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which they 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.

**Date: 12-07-2014**  
**Place: Vadodara**

**Pankaj Kadakia**  
**Chairman**

## KUMAKA INDUSTRIES LIMITED

### AUDITORS' REPORT

TO:  
THE MEMBERS  
KUMAKA INDUSTRIES LIMITED  
(Formerly known as Ashok Organic Industries Limited)  
VADODARA

We have audited the attached Balance Sheet of KUMAKA INDUSTRIES LIMITED (FORMERLY KNOWN AS ASHOK ORGANIC INDUSTRIES LIMITED), as at 31<sup>st</sup> March, 2014 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The information required by Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, are given in the annexure forming part of this report, as specified in Paragraphs 4 & 5 of the said Order.

Further to our comments as above, we report that;

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

- 3) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books account;
- 4) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 & Subject to Notes Forming Part of the Accounts;
- 5) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, we report that None of the Directors are *Not Disqualified* as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Additional Note 1(iv) payment of liability under protest and amount unascertainable and note regarding non provision of impairment loss which is not quantifiable and read along with other notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. Also Refer Notes to Accounts on the Basis of same Accounts Prepared and True and Fair View is Ascertained.
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014; and
  - ii. In the case of Profit and Loss Account, of the loss for the year ended on that date, and
  - iii. In case of Cash Flow Statement, cash flow for the period ended on that date.

**for BHATT THAKKER & CO.  
CHARTERED ACCOUNTANTS**

**M.L. THAKKER  
PARTNER  
(MN 044517)**

**PLACE : VADODARA  
DATE : 12/07/2014**

**Firm Reg. No. 124010W**

### Annexure referred to in the Audit Report

- (i) (a) The Fixed Assets Register for Addition in Fixed assets from Financial Year : 2012-2013 is available for our verification during the Year under Audit.
  - (b) These fixed assets are physically verified by the management.
  - (c) The Company has disposed of a substantial part of fixed assets during the year.
- (ii) There is No stock of Finished Goods, Raw Materials, Stores and consumables and Trading material during the Year. Hence there is No Verification.
- (iii) (a) The Company has granted loans, secured or unsecured to companies or parties except to the wholly owned subsidiary of the company. The subsidiary is incurring continuous losses. Company has made necessary provision, as the loan has become doubtful of recovery. The amount involved is Rs. 2966.80 lacs. However, deposits given for use of the assets by the companies to parties listed under section 301, as per the legal advice received by the company, amounting to Rs.624.48 Lacs are in the ordinary course of business of the company. The Company has granted Loan/Deposit to Director of Rs.10 Lacs During the Year.
  - (b) The Company has accepted loan or advances in nature of loan from companies or parties listed in the register maintained under section 301 of Companies Act, 1956.

## KUMAKA INDUSTRIES LIMITED

- (iv) The Company doesn't have any operational activity. Hence there is no comment as regards internal control procedures.
- (v) (a) According to the information & explanation provided by the management, we are of the opinion that the particulars of contract or arrangements referred to in Section 301 of the Act that need to be entered into the Register maintained Under Section 301 have been so entered.
- (b) In our Opinion and according to the information & explanation given to us, the transaction made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lacs have been entered into during the Financial Year at Prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of Deposits accepted, In our Opinion and according to the information & explanation given to us, the company has not accepted deposits from the public and provisions of section 58A and 58AA of the Act and the rules framed there under are not applicable, We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal ;
- (vii) The company does not have an internal audit system commensurate with its size and nature of its business;
- (viii) Maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act in respect of the Past Production Items, However the Company is Non Operational at Present and thereby No Cost Records are required to be maintained as per the provisions of section 209(1)(d);
- (ix) According to the records of the company and subject to method of accounts consistently followed by it, no undisputed amount except as listed below were outstanding as on 31.03.2014 for the period of six months from the date they become payable.
- (x) The Company is Not a Sick Industrial Company.
- (xi) According to the information & Explanation given to us & as per the Books and Records examined by us, as on the Balance Sheet Date No Amount is Outstanding to the Bank or Financial Institution.
- (xii) According to the Information & Explanation given to us, the Company has not granted Loans and Advances on the basis of security by way of pledge of Shares, Debentures And other Securities.
- (xiii) According to the Information & Explanation given to us, the Company is not a Chit Fund or a nidhi / Mutual benefits Fund / Society. Therefore the Provisions of Clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the Information & Explanation given to us, the Company is not dealing or Trading in Shares, Securities, Debentures & other investments. Accordingly, the Provisions of Clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company. All the Investments are held by the Company in its own Name.
- (xv) According to the Information & Explanation given to us, The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- (xvi) According to the Information & Explanation given to us by the management, The Company has not taken any term loans during the year and as such the information required by this para is not applicable. Except Advance Received from Parties to Whom the Fixed Assets are Sold.
- (xvii) According to the Information & Explanation given to us, The Company has not taken any term loans on short term basis during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act;
- (xix) The Company has not issued any Debentures during the Year under Audit.
- (xx) The Company has not raised any Monies by way of Public Issue during the Year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

PARTICULARS	AMOUNT
Employees State Insurance Cont Sept 99 to July 2002	6,14,961
Sales Tax Payable	12,63,968
Sales Tax – 2010-11(CST) AOIL-CAD	12,20,000
GIDC Dues For NAA, Notified Area, Water Chgs. Etc.	77,36,749
Ukai Water Charges	7,00,000

During the Current Financial Year Provident Fund Demand is Paid AS Per the Notice Dated 20/02/2013. As regards Sales Tax Liability, GIDC Dues, Ukai Water Charges-Principle Liability is continued to be Shown in Provisions as Company is Registered with GBIFR For Waiver in State Government Dues in Interest & Penalty. However, no legal compliance/no due was Not obtained from respective authorities.

**for BHATT THAKKER & CO.  
CHARTERED ACCOUNTANTS**

**M.L. THAKKER  
PARTNER  
(MN 044517)**

**PLACE : VADODARA  
DATE : 12/07/2014**

**Firm Reg. No. 124010W**

**KUMAKA INDUSTRIES LIMITED**

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

Amount (in Rs.)

PARTICULARS	Note No.	31.03.2014	31.03.2013
<b>* (A) EQUITY AND LIABILITIES:</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	3	120856250.00	120856250
b) Reserve & Surplus	4	267433935.61	237086603
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		NIL	NIL
<b>3) NON-CURRENT LIABILITIES :</b>			
(a) Long-term borrowings		NIL	NIL
(b) Deferred tax liabilities (net)		NIL	NIL
(c) Other long-term liabilities	5	880000.00	40768676
(d) Long-term provisions		NIL	NIL
<b>4) CURRENT LIABILITIES :</b>			
(a) Short-term borrowings	6	251004.00	1633030
(b) Trade payables	7	1688167.30	1198799
(c) Other current liabilities	8	35206782.60	35366813
(d) Short-term provisions		NIL	NIL
<b>TOTAL Rs.</b>		<b>426316139.51</b>	<b>436910170</b>
<b>* (B) ASSETS :</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Fixed assets (Net Block)			
(i) Tangible assets	9	26888421.82	28419910
(ii) Intangible assets		NIL	NIL
(iii) Capital work-in-progress		NIL	NIL
(b) Non-current investments	10	856173.14	23603779
(c) Deferred tax assets (net)		NIL	NIL
(d) Long-term loans and advances	11	391229902.10	383247148
(e) Other non-current assets		698030.00	NIL
<b>2) CURRENT ASSETS :</b>			
(a) Current investments		NIL	NIL
(b) Inventories	12	NIL	NIL
(c) Trade receivables		3721970.00	NIL
(d) Cash and cash equivalents	13	2921642.45	1310244
(e) Short-term loans and advances	14	0.00	329090
(f) Other current assets		NIL	NIL
<b>TOTAL Rs.</b>		<b>426316139.51</b>	<b>436910170</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>			
	2		

\* The Notes referred to above form an integral part of the Financial Statements.

\* This is the Balance Sheet referred to in our Audit Report of even date.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014



**KUMAKA INDUSTRIES LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Amount (in Rs.)

PARTICULARS	Note No.	2013-14	2012-13
<b>* INCOME :</b>			
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from Operations (Gross)		NIL	NIL
Less : Excise Duty		NIL	NIL
Revenue from Operations (Net)		NIL	NIL
<b>II. OTHER INCOME</b>	<b>15</b>	57763281.04	61199944.01
<b>III. TOTAL REVENUE (I+II)</b>	<b>Rs.</b>	<b>57763281.04</b>	<b>61199944</b>
<b>* EXPENSES :</b>			
(a) Cost of materials consumed	<b>16</b>	NIL	NIL
(b) Purchases of stock-in-trade		NIL	NIL
(c) Changes in Inventories	<b>17</b>	NIL	NIL
(d) Employee benefits expense	<b>18</b>	3595063.00	5423425.00
(e) Finance costs	<b>19</b>	4004.28	1635.80
(f) Depreciation and amortisation expense	<b>9</b>	835176.00	691449.00
<u>(g) Other expenses:</u>			
- Administration, Selling & Other Expenses	<b>20</b>	9452974.11	21594769.00
- Loss on Sale of Fixed Assets	<b>21</b>	3112.59	NIL
<b>IV. TOTAL EXPENSES</b>	<b>Rs.</b>	<b>13890329.98</b>	<b>27711279</b>
<b>V. PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>		<b>43872951.06</b>	<b>33488665</b>
<b>VI. EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS</b>		NIL	NIL
<b>VII. PROFIT BEFORE TAX</b>		<b>43872951.06</b>	<b>33488665</b>
<b>VIII. TAX EXPENSE:</b>			
(a) Current Tax		NIL	NIL
(b) Tax Expense - Prior Period		NIL	NIL
		NIL	NIL
<b>IX. NET PROFIT (LOSS) AFTER TAX FOR THE PERIOD</b>		<b>43872951.06</b>	<b>33488665</b>
<b>X. EARNING PER SHARE</b> (Equity Share of Face Value of Rs.10/- each)			
<b>Basic &amp; Diluted Earning Per Equity Share (in Rs.)</b>		<b>3.63</b>	<b>2.77</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>	<b>2</b>		

\* The Notes referred to above form an integral part of the Financial Statements.

\* This is the Balance Sheet referred to in our Audit Report of even date.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

## KUMAKA INDUSTRIES LIMITED

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

**NOTE NO.1:**

**CORPORATE INFORMATION :**

Name of the Company	: KUMAKA INDUSTRIES LIMITED.
Registered Office	: 209, Marine Chamber, New Marinnelines Mumbai. 400020
Factory/ Workshop	: 318/319, GIDC Estate, Ankleshwar, Dist.Bharuch (Gujarat)
Nature of Business	: Manufacturing of Chemicals

**NOTE NO.2 :**

**SIGNIFICANT ACCOUNTING POLICIES :**

**2.1. General :**

The accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

**2.2. Basis of Accounting :**

The financial statements are prepared under the historical cost convention on accrual basis and in conformity with all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act,1956.

**2.3. Use of estimates :**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**2.4. Inventories :**

- (i) Raw materials, stores and spares and packaging material are valued at landed cost on FIFO basis.
- (ii) Semi-finished goods are valued at cost / transfer price of raw materials consumed in process and cost of conversion incurred to bring the inventory to its present location , however in the current year it is accounted on Net Realisable Value.
- (iii) Finished goods are valued at Net Realisable Value.
- (iv) Residual and by products generated during the process of production are valued at Net Realisable Value except in cases where there is no certainty of Realisation.
- (v) Trading goods are valued at Realisable value
- (vi) All items of closing stock were obsolete and as per the new provisions of revised Schedule – VI. All stock was written off and accounted in P&L.

**2.5. Cash and cash equivalents (for purposes of Cash Flow Statement) :**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount.

**2.6. Cash flow statement :**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

**2.7. Depreciation and Amortisation :**

The Depreciation is provided on straight line method by applying rates prescribed under schedule XIV of the companies Act 1956 to the W.D.V. as on 31st March, 1990 and on actual cost of acquisition after that date. Depreciation on addition / deletion to the assets during the year is provided on pro-rata basis.

**Impairment of Assets**An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period. **Intangible Assets**It is the Policy of the Company to state the Intangible Assets at cost of acquisition Less accumulated amortisation. Technical know how is amortised over useful life of the underlying plant. However there are no Intangible Assets accounted till year end in the Company's Accounts.

**2.8. Revenue Recognition :**

Revenue in respect of insurance claims, interest and other claims is recognised when it is reasonably certain that the ultimate collection will be made. The company values its secret formula know-how Designs & Proprietary items in the books of accounts based on the valuation of the same by approved valuer and when it is reasonably certain that the ultimate collection will be made.

Revenue from the sale of goods are recognized by the passage of title of the goods to the customers - which generally coincides with the despatch / supply / delivery of the goods.

**2.9. Other Income :**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**2.10. Fixed Assets :**

Fixed Assets are stated at cost of acquisition including cost which are incidental and attributable for bringing the assets to its working condition for its intended use, less accumulated depreciation.

Fixed assets are stated at cost of acquisition / construction net of Cenvat credit on capital goods but inclusive of inward freight, duties and taxes, incidental expenses related to acquisition and, interest incurred up to the date of commercial production. The figures of land and building , which have been revalued during the accounting year 1994-95, are on the basis of the valuation report of an approved valuer. Fixed Assets sold during the year were accounted and reduced from gross block, accumulated depreciation and depreciation revaluation reserve. Reserve were reversed on pro-rata basis.

**Capital work-in-progress:**

There is No Capital Work In Progress at year end.

However there are no Intangible Assets accounted till year end in the Company's Accounts.

## KUMAKA INDUSTRIES LIMITED

### 2.11. Foreign currency transactions and translations :

#### Treatment of exchange differences

Transactions in foreign exchange are recognised at exchange rates prevailing at the time of transaction. The gain / loss arising on settlement during the year is recognised in the profit and loss account on remittance / realisation of the amount.

Duty free imports of Raw Materials under Advance Licence for imports as per the import and export policy are matched with the exports made against the said licence and the net benefit / obligation is accounted by making suitable adjustments in the raw material consumption.

The benefits accrued under the duty entitlement pass book scheme as per the import and export policy in respect of exports made under the said scheme have been included under the head "export incentives".

However there is no Export during the year.

### 2.12. Investments :

The Long Term Investments in the nature of Trade Investments made by the Company have been valued at cost. There is diminution in the value of investments; but the Company has made necessary provision for the diminution in the value of investments as per the requirements of Accounting Standard 13 on Investment as notified by ICAI.

Long term Investments are stated at cost, except where there is diminution in value other than temporary, in which case the carrying value is reduced to recognise the decline. Current investments are stated at lower of cost and fair value computed category-wise. Investment in the shares of Ashok Alco-Chem Ltd. were sold to one of the Director at Loss and the value per share at which Investment was sold is Rs.11.95 Per Share , in the last Year.

### 2.13. Employee benefits :

#### Short-term employee benefits

Short Term Employee Benefits are charged off at the undiscounted amount in the year in which the related services is rendered.

#### Long-term employee benefits

Long Term Employee Benefits and Post Employment Benefits are charged off in the year in which the employee has rendered services. The Amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain & loss in respect of post employment and other long term benefits are charged to profit & loss Account. The Provident Fund & Pensions contributions are made to a government administered Provident Fund towards which the company has no further obligations beyond its monthly contributions.

#### Retirement Benefits

The Company's contribution to Provident Fund is charged against revenue every year. In respect of gratuity, the Company has created approved gratuity trust and Company every year provides towards differential liability on the basis of Estimation Provision for leave encashment is not made. Management does not anticipate any further liability in the future on this account.

### 2.14. Borrowing Costs :

Borrowing cost that are directly or indirectly attributable to the acquisition, construction or production of an asset is capitalised upto the date these assets are put to intended use. Borrowing cost after the assets are put to intended use and incurred for the operations of the company is recognised as an expense in the period in which they are incurred.

### 2.15. Segment Reporting :

The Company is engaged in manufacture of chemicals, which as per Accounting Standard - As 17 is considered the only reportable business segment. The geographical segmentation is not relevant, as exports are in significant.

### 2.16. Accounting for Taxes on Income:

Taxes on Income are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India.

Income tax expenses comprises of current tax and deferred tax charge or credit. Provision for current tax is to be made on the basis of estimated tax payable for the year as per the applicable provisions of the Income Tax Act. The deferred tax charge or credit is recognized using current tax rate. Deferred tax asset is recognized only if there is sufficient evidence that future taxable income will be available. Deferred Tax is recognized subject to consideration of prudence, on timing differences that originate in one period and are capable of reversal in one or more subsequent period between taxable income and accounting income. Deferred Tax adjustments in terms of accounting standard 22 resulting from timing differences is not considered in the books of accounts as operations of the company are severely curtailed and no immediate benefit or claim is expected to arise in near future.

### 2.17. Research and Development Expenses :

Research and development costs (other than costs of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts.

However there is no such Expenditure during the year.

### 2.18. Provisions and Contingencies :

Provisions are recognized when the company has a present legal or constructive as a result of past events and it is probable that an obligation of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Contingent Liabilities are stated by way of notes to the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the balance sheet

The Central Government vide its letter dated 8th February 2007, has permitted the Company with effect from 1st December 2006 to pay remuneration to its Managing Director in excess of the limits prescribed under section 309 (3) and 198 (1) of the Companies Act 1956. Accordingly the Company has to provided remuneration to the Managing Director as per the permission granted by the Central Government.

### 2.19. Pre-Operative Expenditure :

Pre-operative Expenditure is carried forward to be capitalised and apportioned to various assets on commissioning of the project.

### 2.20. Service tax/ Excise & Cenvat :

#### Excise :

Excise duty payable on company's products is accounted on production thereof.

## KUMAKA INDUSTRIES LIMITED

**Cenvat :**

Cenvat credit available on raw material / inputs is accounted on accrual basis on consumption of materials and appropriated against payment of Excise Duty payable on clearance of finished goods. Consumption of Raw Material / Inputs is accordingly net of such cenvat credit. Cenvat Credit available on capital goods are appropriated after commissioning of the item / project as payment of excise duty payable on clearance of finished goods from factory premises,

The Capital goods are stated net of Cenvat Credit.

**2.21. Deferred Revenue Expenditure & Preliminary Expenditure. :**

Deferred Revenue Expenses is written off over 3 / 5 years and balance is carried forward under the head Miscellaneous Expenditure in the Balance Sheet.

**2.22. Related Party Transaction :**

As required by Accounting Standard AS - 18 " Related Parties Disclosure " Disclosure is made

Only of the Related Parties with Whom Transactions were entered the details of the same are as follows:

List of Related Parties with whom Transactions are entered are as under

(more than 20% control led by the Directors and Relatives.)

**A. Associated companies**

Kadokia Alkalies and Chemicals Limited

USM Enterprise

**B. Key Management Personnel and Relatives**

Mr. Pankaj M Kadokia

**C. Relatives of Key Management Personnel**

Mrs.Madhavi Pankaj Kadokia (Wife of Mr. Pankaj M Kadokia)

**D. Details of transaction upto the Previous Year with related parties are as follows:**

Rs. in Lacs

Particulars	Associates	Key Mgt.	Relative
Purchase of goods & services	Nil	9.00	Nil
Sale of goods & services	Nil	Nil	Nil
Remuneration and sitting fees	Nil	Nil	Nil
Finance(including loans and equity contributions in cash or in kind)	2250.00	Nil	Nil
Rent and Lease payments in Provisions	Nil	Nil	Nil
Debts due to the company(Loans & Advances)	6600.84	1.37	3.15
Debts due to the company(Sundry Debtors)	Nil	Nil	Nil
Debts payable by the Company	Nil	2.51	Nil

**2.23. Transaction Took Place During the Current Financial Year :**

- 1 During the Year Account of Panoli Intermediates (I) Pvt. Ltd. is reconciled and thereby Balance of Rs.76,69,545/- is written off Vide Board Resolution No. Dated : 10/05/2014.
- 2 No TDS is deducted in One Case of Construction Contractor During the Year towards Payment made to Contractor.
- 3 During the Year the Companies Application to GBIFR is Registered for Relief in the State Government Statutory Dues in Interest and Penalty and thereby the Liabilities as provided in the Books of Accounts were written Off Treating the Provision already made Over & above the Principle Liability in respect of the State Government Dues as Excess Provision and only Principle Liability is Continued to be Accounted in O/s. Liability/Provisions. This is mainly in respect of Sales Tax/VAT Liability,GIDC Liability in respect of NAA Charges,Notified Area Taxes (Charges),Water Charges, Land Revenue, Drainage Cess & Contribution And Ukai Water Charges.
- 4 Excise Duty Payable is written off Fully as it is No More Payable , As Per Management Certificate.
- 5 Management decided to Writ off Old Outstanding Liabilities in respect of Various Expenses which were already Provided and Paid during the Previous Year.
- 6 Staff Loan & Other Loans & Advances to Staff were Adjusted against the Salary Payable at the Previous Year end.
- 7 During the Year (Gratuity) Settlement with 8 Workers/Staff was Accounted Amounting to Rs.2,34,147/-. During the Year Salary Settlement with 2 Workers/Staff was Accounted Amounting to Rs.1,00,000/- .
- 8 During the Previous Year Provident Fund Payable/Liability is Paid off for Ankleshear GIDC PF Dues and as regards other Two PF Numbers i.e.Towards Nandesari and Pungam it was informed to us that there is No Outstanding Liability towards the same.
- 9 During the Year One of the Director of the Company has given his Car on Rent to the Company and for the said Transaction Company has given Deposit of Rs.10 Lacs to Director.The same is Authorised by the Resolution of Board Meeting. However the Said Deposit of Rs.10Lacs is Refunded back to the Company During the Current Year.
- 10 As per information & Explanantion given to us there are 38 Labour Cases & 16 Gratuity Cases are yet to be Settled at the Year End. Contingent Liability for the same is considered of Rs.60 Lacs in Excise & Other Matters.
- 11 Cash & Bank Balance as on 31/03/2014 is Certified by the Management.

\* Cenvat credit not recouped in payment of excise duty on the dispatches of products, to the extent usable, is treated as Cenvat credit receivable and show nunder "Loans & Advances".

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.3</b>		
<b>SHARE CAPITAL :</b>		
(i) <b>Authorised Share Capital :</b> [1,50,00,000 Equity Share @ Rs.10/- each. ]	150,000,000.00	150,000,000
(ii) <b>Issued, Subscribed &amp; Paid-up Capital :</b> [120,85,625 Equity Share @ Rs.10/- each fully paid-up. ]	120,856,250.00	120,856,250
	<b>120856250.00</b>	<b>120856250</b>
<b>3.1 Details of Shares issued for consideration other than Cash, Bonus Shares issued and Shares Bought Back by the Company during the period of preceeding 5 years i.e. 1.04.2007 to 31.03.2012</b>	NIL	NIL
<b>3.2 Reconciliation of number of shares and amount outstanding at the beginning and end of the year:</b>		
Equity shares of Rs.10/- each with voting rights fully paid-up:	<b>31.03.2014</b>	<b>31.03.2013</b>
	No. of Shares	Amount (Rs.)
	No. of Shares	Amount (Rs.)
Equity shares outstanding at the beginning of the year	12085625	120856250.00
Fresh Issue/ESOP/ Bonus Issue of Shares	NIL	NIL
Redemption/ Buy Back of Shares	NIL	NIL
Equity shares outstanding at the end of the year	12085625	120856250.00
	12085625	120856250
<b>3.3 All the equity shares issued by the Company rank pari passu in terms of rights as to dividend, repayment of capital and voting rights attached to such shares.</b>		
<b>3.4 Details of Shareholders holding more than 5% Equity shares in the Company:</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
Name of the Shareholder	No. of Shares	% of Holding
	No. of Shares	% of Holding
1. Mr. Pankaj Kadakia, Director	2829450	23.41%
2. Mrs.Madhavi P. Kadakia	3907850	32.33%
3. Mr.Shyam Kadakia	2923250	24.19%
4. Ms.Niyati Kadakia	911600	7.54%
	911600	7.54%
<b>3.5 The Shares of the Company at present are Suspended by the Bombay Stock Exchange.</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
	Amount (Rs.)	Amount (Rs.)
<b>NOTE NO.4</b>		
<b>RESERVES &amp; SURPLUS:</b>		
<b>a) Revaluation Reserve:</b>		
Opening balance	24742952.00	24742952.00
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Less: Utilised / transferred during the year	13525618.28	NIL
Closing balance (a)	<b>11217333.72</b>	<b>24742952.00</b>
<b>b) General Reserve * :</b>		
Opening balance	2190178015.00	NIL
Add: Additions/Transfer during the year	NIL	2190178015
Less: Utilised / transferred during the year	2150000000.00	NIL
Closing balance (b)	40178015.00	2190178015
<b>c) Share Premium Account:</b>		
Opening balance	292203750.00	292203750
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance (c)	<b>292203750.00</b>	<b>292203750</b>

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>d) Surplus (Deficit) in Profit and Loss Statement:</b>		
Opening balance	(2270038114.17)	(2303526779)
Add: Profit / (Loss) for the year	43872951.06	33488665
Amounts transferred from General Reserve	NIL	NIL
	(2226165163.11)	(2270038114)
Less : Proposed Dividend & Tax thereon	NIL	NIL
Amounts transferred to General Reserve	2150000000.00	NIL
Closing balance of Profit and Loss Statement (d)	(76165163.11)	(2270038114)
<b>Total (a)+(b)+(c)+(d) Rs.</b>	<b>267433935.61</b>	<b>237086603</b>

\*The Previous year's figures have been regrouped / rearranged wherever found necessary. During the Current Year Board has Resolved that Surplus(Deficit) Balance in Profit & Loss Statement to the Extent of Rs.215 Crores is Appropriated to General Reserve.

<b>NOTE NO.5: LONG TERM BORROWINGS:</b>		
<b>(a) Advance From Parties</b>		
Panoli Intermediate Pvt. Ltd.	0.00	38268676.00
Other Advances - Deposits Kohinoor Enterprise	880000.00	2500000.00
<b>Rs.</b>	<b>880000.00</b>	<b>40768676.00</b>

<b>NOTE NO.6: SHORT TERM BORROWINGS:</b>		
<b>(a) Loans repayable on Demand:</b>	NIL	NIL
<b>(b) Loans and Advances from Related Parties:</b>		
Loans from Directors - S.P.Kadakia	251004.00	1633030
(Interest free Unsecured Loans - for which no repayment schedule has been fixed and hence considered as repayable on demand.)		
Loans from Other Related Parties	NIL	NIL
(Interest free Unsecured Loans - for which no repayment schedule has been fixed and hence considered as repayable on demand.)		
<b>(c) Deposits:</b>		
Trade Deposits (Annexure 1)	NIL	NIL
(Deposits are in the nature of trade deposits/ advance received from the parties for which no repayment period has been specified.)		
<b>(d) Other Loans and Advances:</b>		
Sales Tax Department Deferred Payment Loan	NIL	NIL
	<b>251004.00</b>	<b>1633030</b>

In the opinion of the Board of Directors, Short Term Borrowings are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The Balances are Subject to Confirmation from the Parties.

During the Year under Audit the Company has W/OFF and W/BACK Outstanding Balance in Loan and Advances Account and S.Drs.,S.Crs., Investment, Unsecured Loan, Other Liability. The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Debtors, Creditors, Sister Concern, Associate Concern, Directors, Director Relative Account.

## KUMAKA INDUSTRIES LIMITED

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.7:</b>		
<b>TRADE PAYABLES:</b> (Annexure 2)		
Sundry Creditors for Goods	NIL	NIL
Micro Small & Medium Enterprises (MSME)	NIL	117821
Parties other than MSME Units (Other than Long Term Trade Payables)	1688167.30	1198799
Sundry Creditors for Operating Exp/Services (Other than Long Term Trade Payables)	1688167.30	1198799
	<b>1688167.30</b>	<b>1198799</b>

The balances are subject to confirmation from the parties. However, the Some of Creditors were written off during the Year. The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Creditors, Sister Concern, Associate Concern, Directors, Director Relative Account. As required by the notification no.GSR 129(E) dated 22nd February,1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs based on the information available with the Company in respect of the status the suppliers, being Small Scale Industrial Undertaking, the information carried for by the company has been received and as such liability for amount owed in excess of Rs. 100000/= for such supplier has been given.

<b>NOTE NO.8:</b>		
<b>OTHER CURRENT LIABILITIES:</b>		
(a) Current maturities of long-term debt:	NIL	NIL
(b) Loans and Advances from Related Parties:	NIL	NIL
(c) Other Current Liabilities: (Refer Annexure 3)		
(i) Employee Remuneration & Benefit Payable	5125374.76	5940339
(ii) Statutory Liabilities	3978634.80	3344464
(iii) Other Liabilities	26102773.04	26082010
	<b>35206782.60</b>	<b>35366813</b>

In the opinion of the Board of Directors, the Other Current Liabilities are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The balances are subject to confirmation from the parties. Unclaimed Dividend amounting to Rs. 1,08,069 is unclaimed for more than Seven Years and is deposited in Ministry of Corporate Affairs, Delhi on 15/04/2013. However DD Drwan before 31/03/2013.

During the Year under Audit the Company has W/OFF and W/BACK Outstanding Balance in Unsecured Loan, Other Liability.

The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Creditors, Sister Concern, Associate Concern, Directors, Director Relative Account.

Provision for taxation is not required to be made as there is no taxable income as per the provisions of the Income Tax Act, 1961.

Since Financial Year:2010-11 the Company has entered into agreement for Sale of Nadesari Unit, CAD Unit, Pungam Unit and Ankleswar-GIDC Unit and also received advance against such Sale, the same is shown as Advance From Prties. Also Refer Point No. 2.23 of Notes on the Financial Statements, as regards Various Liabilities Written Off. The Company is Registered with GBIFR Vide their Letter No.:IC/IM/SUR/24545-2011/T-16/749780.Dated:21-09-2012. Registration Number is 12 Dated : 21/09/2012.

**Wherein the Company is expecting to get the Waiver of Interest, Penalties etc. On Sales Tax, GIDC Dues, Electricity Duty based on the Directions of Govt. Of Gujarat & Pending Settlement Dues Payable to GOG of Rs. 14.96 Lacs. (P.Y. Rs.102.78 Lacs.) have been shown in Statutory Dues. The GOG has introduced New Scheme in Place of its earlier Scheme, for Relief to the Sick Industrial Units Registered with the BIFR Vide GR BFR/(HPC)/102009/435690/P Dated : 15/07/2010.**

#### NOTE NO.9:

##### FIXED ASSETS:

##### TANGIBLE ASSETS:

Name of Asset	GROSS BLOCK (AT COST)					DEPRECIATION BLOCK				NET BLOCK	
	Rate of Depn.	As at 01.04.2013	Additions	Disposal/ Adjustment	As at 31.03.2014	Upto 31.03.2013	For 2013-14	Depn. W. Back	Upto 31.03.2014	As at 31.03.2013	As at 31.03.2014
Land	0.00%	9043055	NIL	NIL	9043055.23	NIL	NIL	NIL	NIL	9043055	9043055
Factory Building	3.34%	31956722	3027573	NIL	34984294.37	19614436	733806	NIL	20348242	12342286	14636052
Office Bldg.	1.63%	75000	NIL	NIL	75000	44051	807	NIL	44858	30949	30142
Plant & Machinery	4.75%	71372800	2182892	70660563	2895128.85	64862174	61688	64858520	65342	6510626	2829787
Motor Car	9.50%	320346	NIL	NIL	320346	5753	30433	NIL	36186	314593	284160
Computer	15.84%	NIL	25667	NIL	25667	NIL	1765	NIL	1765	0	23902
Furniture Fixtures	13.91%	2464327	NIL	2416326	48001	2285926	6677	2285926	6677	178401	41324
Total Rs.		115232249	5236132	73076889	47391492	86812340	835176	67144446	20503070	28419909	26888422
Previous Year		129946874	1485376	16200000	115232250	86120891	691449	0	86812340	43825983	28419910

The Company has not accounted for the impairment losses on account of diminution in the value of fixed assets including capital work in progress in respect of incomplete project as the management is not in position to estimate the exact nature and quantum of loss on this account. Management feels that upon revival of operations the company would be in position to work out loss on this account. The Fixed Assets Register is required to be Produced before us for our verification.

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.10:</b>		
<b>NON-CURRENT INVESTMENTS:</b>		
<b>(A) Trade Investments:</b>		
(a) Investment Properties	NIL	NIL
<b>(b) Investment in Equity instruments:</b>		
(i) <i>Investment in Subsidiary Company:</i>		
95,00,000 fully paid Equity shares of Rs.10/- each of Kadakia Alkalies & Chemicals Ltd. (Considered Bad & Doubtful)	225000000.00	225000000
Less : Provision for Diminution in Value of Investment	225000000.00	225000000
	NIL	NIL
(c) Other non-current investments:	NIL	NIL
<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>
<b>(B) Other Investments: (Non-Trade)</b>		
<b>(a) Investment in Equity instruments:</b>		
(i) <i>Investment in Other Companies:(Good)</i>		
300 fully paid Equity shares of Rs.10/- each of Bhagawati Aqua Technos Pvt.Ltd.	3000.00	3000
300 Equity shares of Rs.10/- each(Rs.5/- paid up) of Bhagawati Aqua Technos Pvt.Ltd.	1500.00	1500
6000 fully paid Equity shares of Rs.10/- each of Southern Organo Chemicals Ltd.	NIL	NIL
<b>(b) Investment in Mutual Fund Units: (Good)</b>		
Investment in Units of IDFC Mutual Fund	851673.14	23599278.57
(c) Other non-current investments: (Good)		
Govt. of India Bonds/Securities	NIL	NIL
National Savings Certificates	NIL	NIL
<b>Total (B)</b>	<b>856173.14</b>	<b>23603779</b>
<b>Grand Total (A + B)</b>		
Less : Provision for diminution in the value of Investments	NIL	NIL
<b>Total</b>	<b>856173.14</b>	<b>23603779</b>
<b>Other Disclosures relating to Investments:</b>		
1. Aggregate amount of quoted investments	NIL	NIL
2. Aggregate amount of unquoted investments	225856173.14	248603779
3. <b>Details of Trade Investment :</b>		
The Company had made Trade Investment of Rs.226,000,000/- in the equity of Subsidiary Company "Kadakia Alkalies & Chemicals Ltd. The investment is stated at cost, but in view of the accumulated losses of the subsidiary company, the realization thereof is considered to be doubtful and hence, necessary provision for the diminution in the value of investments has been made in the accounts.		
<b>NOTE NO.11:</b>		
<b>LONG TERM LOANS &amp; ADVANCES:</b>		
a. Capital Advances	NIL	NIL
b. Security Deposits:		
- Deposit with GEB & Sales Tax Dept.	14213251.66	14004228
c. Loans and advances to related parties:		
- Interest-free Loan/Advance to Subsidiary Co. Kadakia Alkalies & Chemicals Ltd.	597614973.00	597614973
- Interest-free Loan/Advance to Other Related Parties	62900668.08	63783578



**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.11:</b>		
<b>LONG TERM LOANS &amp; ADVANCES: (Conti...)</b>		
d. Other loans and advances (specify nature)		
Advances recoverable in Cash/Kind	13181336.36	4524696
	687910229.10	679927475
Less: Provision for doubtful loans and advances	296680327.00	296680327
<b>Total Amount Rs.</b>	<b>391229902.10</b>	<b>383247148</b>
<b>Other Disclosures relating to Long Term Loans &amp; Advances:</b>		
<b>Loans granted to:</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Directors *	NIL	NIL
Other officers of the Company *	NIL	NIL
Company which is a subsidiary of the Company	597614973.00	597614973
Firm in which director is a partner *	NIL	NIL
Private Company in which director is a member	NIL	NIL
Other Related Parties	62900668.08	63783578
In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The balance of Sundry debtors includes overdue balance from various parties and also efforts are being made for recovery from such parties. The balances are subject to confirmation from the parties.		
During the Year under Audit the Company has W/OFF and W/BACK Outstanding Balance in Loan and Advances Account The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Sister Concern, Associate Concern, Directors , Director Relative Account. Please Refer Notes on Accounting Policies wherein as per requirements of AS-18 for Related Parties Transaction were mentioned in Details on Point No.2.22.		
<b>NOTE NO.12:</b>		
<b>INVENTORIES:</b>		
a. Raw Materials and components		
In Stock -	NIL	NIL
b. Work-in-progress	NIL	NIL
c. Finished goods	NIL	NIL
d. Stores, Spares, Fuel & Packing Mats.	NIL	NIL
	<b>NIL</b>	<b>NIL</b>
<b>NOTE NO.13:</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>A. BALANCE WITH BANKS:</b>		
Earmarked Balances	NIL	NIL
<u>Margin Money Deposits as Security against Borrowings:</u>		
FDR with Bhailalbhair Contractor Smark Co.Op. Bank	797516	735000
<u>Balance in Current Accounts with Banks:</u>	177111.45	226960
<b>B. CHEQUES, DRAFTS ON HAND:</b>	NIL	NIL
<b>C. CASH BALANCE ON HAND:</b>	1947015.00	348284
	<b>2921642.45</b>	<b>1310244</b>

The Company has to obtained closing Bank Balance Certificate of all the Banks at the year end i.e. as of 31-03-2014.

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.14:</b>		
<b>SHORT TERM LOANS &amp; ADVANCES :</b>		
Advance to Suppliers	0.00	329090
	<b>0.00</b>	<b>329090</b>
<b>Additional Notes Forming Part of Balance -Sheet And Profit &amp; Loss Account.</b>		
01. In Respect of Contingent Liability :	<b>31.03.14</b>	<b>31.03.13</b>
1 Contingent Liabilities in respect of -		
a. Income tax and Sales tax matters	67,33,054*	67,33,054 *
b. Excise & Other matters	3,06,28,381*	3,42,42,985 *
c. GEB (DGVCL)	40,245*	40,245*
*Interest between @1 to 2%P.M. is added to The Principle Outstanding Amount. Till 31-08-2008.		
* In a Above Includes KACL Contingent Laibility of Rs.10,25,21,860/-		
* In b Above Includes KACL Contingent Laibility of Rs. 2,43,54,288/-		
* In c Above Includes KACL Contingent Laibility of Rs.15,16,59,386/-L.Y. & IN C.Y. of Rs.40,245/-		

**NOTE:**

(i) The Company has preferred appeals against demand under c above.

(ii) The Company had disputed the electricity charges raised by Gujarat Electricity Board in arbitration proceedings.

The award is in the favour of the company.However Board has Passed the Ressionation on the Basis of letter of DGVCL to Industry Commissioner for outstanding Dues of the Company & hence Liability for GEB Dues is considered at Rs.40,245/-

(iii) The Sum of Rs. 22.90 Lacs being Payment under Protest has been written off and Rs.1.09 Lacs being paid to Daurala Sugar towards Sales Tax deposit. The exact outcome of the notices issues by the appropriate authority could not be ascertained in absence of requisite information.This is as per information & explanation given to us.

(iv) In terms of consent term reached in response to the legal proceedings between the company and Unsecured Creditors , The Company agreed to pay dues towards Creditors in installments. The company has stopped the payment of these installments.The liability , is stated at the amount as per the consent Term Unsecured Creditor has separately approached the H'ble Bombay High Court.

02. In Respect of Refrence made to GOG Scheme :

The accounts have been prepared on "Going Concern" assumption despite continuous losses, erratic operation, complete erosion of the net worth of the company. Company is referred to GBIFR for rehabilitation and revival.

03. In Respect of Previous Years Figures :

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. The Revised Schedule VI does not require presentation of a reconciliation explaining the impact of the reclassification of the previous year figures in the financial statements. The Previous year's figures have been regrouped / rearranged wherever found necessary.

\* The Notes referred to above form an Integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.15</b>		
<b>OTHER INCOME:</b>		
Dividend Income	743160.16	84727.57
Interest Earned on Investments	62516.00	222154.00
Profit on Sale of Fixed Asset	26675418.10	46537584.00
Sundry Accounts W/off-Write Back	30241786.28	13715252.53
Other non-operating income (net of expenses)	40400.50	640225.91
<b>Total Rs.</b>	<b>57763281.04</b>	<b>61199944</b>
<p>During the Year under Audit the Company has W/OFF and W/BACK Outstanding Balance in Loan and Advances A/c and Investment, Unsecured Loan, Other Liability. The Balance Confirmation Certificate at the Year End were not Obtained by the Company in case of all the Creditors, Sister Concern, Associate Concern, Directors, Director Relative Account. The Same is Acc]ounted as Sundry Accounts Write Off, Write Back Under Other Income.</p>		
<b>NOTE NO.16</b>		
<b>COST OF MATERIALS CONSUMED:</b>		
Opening Stock of Raw Materials	NIL	NIL
Add : Purchases:	NIL	NIL
Less: Closing Stock of Raw Materials	NIL	NIL
<b>TOTAL COST OF MATERIALS CONSUMED Rs.</b>	<b>0.00</b>	<b>0.00</b>
<p>During the Previous Financial Year Closing Stock written off is obsolete and non-moving old stock as per the new provisions of Revised Schedule – VI</p>		
<b>NOTE NO.17</b>		
<b>CHANGES IN INVENTORIES:</b>		
Opening Stock of Stores, Spares & Fuel	NIL	NIL
Less : Closing Stock of Semi Finished Goods	NIL	NIL
	0.00	0.00
Opening Stock of Finished Goods	NIL	NIL
Less : Opening Stock of Finished Goods	NIL	NIL
	0.00	0.00
<b>Increase / (Decrease) in Stock Total Rs.</b>	<b>0.00</b>	<b>0.00</b>
<p>During the Previous Financial Year Closing Stock written off is obsolete and non-moving old stock as per the new provisions of revised Schedule – VI</p>		
<b>NOTE NO.18</b>		
<b>EMPLOYEE BENEFIT COSTS:</b>		
(a) Salaries & Wages/Service Charges	1095063.00	4223425.00
(b) Directors' Remuneration	2500000.00	1200000.00
<b>Total Rs.</b>	<b>3595063.00</b>	<b>5423425</b>
<b>NOTE NO.19</b>		
<b>FINANCE COSTS:</b>		
Bank Charges & Commission	4004.28	1635.80
<u>Interest expense:</u>		
- Other Interest & Finance Charges	NIL	NIL
<b>Total Rs.</b>	<b>4004.28</b>	<b>1635.80</b>

**KUMAKA INDUSTRIES LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.20</b>		
<b>OTHER EXPENSES - ADMINISTRATION, SELLING &amp; OTHER EXPENSES :</b>		
Advertisement Expenses	16542.00	4954
Payment to Auditors:		
- For Statutory Audit Fees	125000.00	125000
- For Taxation matters	25000.00	25000
- For Other Services	25000.00	25000
Electricity Charges	199119.00	111840
Legal & Professional Fees	503163.00	1062446
Licence, Subscription & Other Fees	327696.00	136148
Miscellaneous Expenses	113546.10	163524
Expenses on Directors other than Remmuneration	43076.00	0
Labour Compensation/Settlement	10000.00	725000
Rent Expenses	1580000.00	0
Rates & Taxes	89660.00	250190
Interest Expenses on TDS/Service Tax	25589.00	0
Insurance Charges	8485.00	6640
Office Expenses and Secretarial Dept. Expenses	365980.00	198586
Prior Period Expenses	4188607.00	16313290
Printing & Stationery Exp.	91951.25	66118
Postage, Telephone & Other Expenses	192927.36	140049
Repairs & Maintenance	474176.00	1074274
Motocar Expenses	148810.00	0
Society Charges	43571.00	0
Brokerage & Commission Exp.	0.00	700000
Security Charges	25357.00	50000
Travelling & Conveyance Expenses	829718.40	416710
<b>Total Rs.</b>	<b>9452974.11</b>	<b>21594769</b>
<b>NOTE NO.21</b>		
<b>LOSS ON SALE OF ASSETS:</b>		
Loss on Sale of Building	0.00	0.00
Loss on Sale of Machinery & Other Assets	3112.59	0.00
<b>Total Rs.</b>	<b>3112.59</b>	<b>0.00</b>

During the Financial Year 2010-11 the Company has entered into agreement for Sale of Nadesari Unit , CAD Unit and Ankleswar – GIDC Unit as a Whole and also received advance against such Sale. The Necessary Procedure as prescribed U/s. 293 of the Companies Act, is to be Complied with. Details of the same are as under :

01. In CAD Unit :

During the FY : 2011-12 All P & M were sold to Kohinoor Enterprise for Rs.400 Lacs at a Loss of Rs. 2456.85 Lacs And Whole of the Bulding Scrap was Sold along with Building Scrap of Pungam to Suffian Steels for Total Amount of Rs.18 Lacs. No Advance Balance Amount Except Rs.25 Lacs Towards Security Deposit of Kohinoor Enterprise was Laying at the Year end.

02. In Pungam Unit During the FY : 2011-12 All P & M Except Land & Building. Were Sold to Kohinoor Enterprise For Rs.210 Lacs at a Loss of Rs. 113.49 Lacs.Sold Amount is Adjusted from the total Amount Received of Rs.210 Lacs, And No Advance Balance Amount as on 31-03-2014. Bulding scrap was Sold along with Building Scrap of CAD to Suffian Steels for Total Amount of Rs.18 Lacs. No Advance Balance Amount was Laying at the Year end. During the Previous Year Land was Sold at Rs.6.27 Crores to Shree Anu Enterprise, Ankleshwar.The Payment was received in full.

There are Pending Dues against the Companies by the Sales Tax department . However During the Previous Year Company is Registered with the GOG Scheme as mentioned in the Report.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

**ANNEXURES FORMING PART OF THE ANNUAL ACCOUNTS FOR THE YEAR 2013-2014**

**ANNEXURE : 1  
SHORT TERM DEPOSITS/UNSECURED LOANS :**

**FROM DIRECTORS :**

**\* ANNEXURE : 1**

**\* SHORT TERM DEPOSITS/UNSECURED LOANS :**

**FROM DIRECTORS, SHARE HOLDERS & RELATIVES :**

Madhvi P. Kadakia

20000.00

Shyam P. Kadakia

231004.00

**251004.00**

**Total**

**251004.00**

**\* ANNEXURE : 2**

**\* TRADE PAYABLES (SUNDRY CREDITORS) :**

i) Creditors for Expenses:

Creditors Below Rs.1,00,000/-

922193.30

Aayush Enterprise

205630.00

Hiral Scientific Glass

126479.00

Mahesh Electricals

101365.00

Bachubhai bhopatbhai Jograna

100000.00

Bhatt Thakker & Co.

232500.00

(i) **1688167.30**

ii) **Sundry Creditors for Goods :**

0.00

Sub-Total (ii)

0.00

**Total (i+ii)**

**1688167.30**

**\* ANNEXURE : 3**

**\* OTHER CURRENT LIABILITIES:**

(A) Employee Remuneration & Benefits Payable:

Salaries / Wages Payable

2309168.00

ESIC Payable

572820.76

Bonus Payable

854004.00

**Gratuity Fund Payable**

**1389382.00**

**5125374.76**

(B) Statutory Liabilities Payable:

CST Payable

1220000.00

TDS PAYABLE

210996.00

Gujarat Industrial Development Co.(GIDC) Ltd.

232241.80

VAT 2013-14 Payable

1051429.00

Sales Tax Payable

1263968.00

3978634.80

(C) Other Liabilities:

Other Outstanding Liabilities

26102773.04

26102773.04

**35206782.60**

## KUMAKA INDUSTRIES LIMITED

\* ANNEXURE : 4

**\* LONG TERM LOANS, ADVANCES & DEPOSITS :**

<p>(A) To Firms / Companies in which Directors are interested :</p> <p style="padding-left: 20px;">i) Loan to Subsidiary Companies :</p> <p style="padding-left: 40px;">Kadakia Alkalies &amp; Chemicals Ltd.</p> <p style="padding-left: 20px;">ii) Loans &amp; Advances to Related Parties:</p> <p style="padding-left: 40px;">USM Enterprise</p> <p style="padding-left: 40px;">P.M.Kadakia HUF</p> <p style="padding-left: 40px;">P.M.Kadakia</p> <p style="padding-left: 40px;">Narmada Bio Fuel</p> <p style="padding-left: 20px;">(ii)</p> <p style="padding-left: 20px;">(A) = (i) + (ii)</p> <p>(B) Other Loans &amp; Advances :</p> <p style="padding-left: 20px;">i) Advances recoverable in cash or kind or for value to be received:</p> <p style="padding-left: 40px;">Ashok V. Panchal</p> <p style="padding-left: 40px;">MODVAT On Excise Duty/ Service Tax PAID</p> <p style="padding-left: 40px;">Advance Paid for Plot Booking of GIDC Sanand</p> <p style="padding-left: 40px;">Nitin Chandreshkumar Jain</p> <p style="padding-left: 40px;">Vikas Mahendrakumar Jain</p> <p style="padding-left: 40px;">Advance Income Tax - TDS</p> <p style="padding-left: 40px;">Advance CST 2%</p> <p style="padding-left: 40px;">Symac Engineers (India) Pvt. Ltd.</p> <p style="padding-left: 40px;"><b>Other Loans &amp; Advances to Staff</b></p> <p style="padding-left: 20px;">ii) Deposits:</p> <p style="padding-left: 40px;">Eletric Deposits</p> <p style="padding-left: 40px;">Deposit with DGVCL</p> <p style="padding-left: 40px;"><b>Deposit with GEB</b></p> <p style="padding-left: 20px;"><b>B = (i) + (ii)</b></p> <p style="padding-left: 20px;"><b>(A) + (B)</b></p>	<p>597614973.00</p> <p><b>(i) 597614973.00</b></p> <p>62448278.08</p> <p>46390.00</p> <p>91000.00</p> <p>315000.00</p> <p>62900668.08</p> <p>660515641.08</p> <p>243840.00</p> <p>30343.51</p> <p>8249147.00</p> <p>277000.00</p> <p>277000.00</p> <p>8352.10</p> <p>5966.00</p> <p>1484100.00</p> <p>2605587.75</p> <p><b>(i) 13181336.36</b></p> <p>3693195.66</p> <p>209024.00</p> <p>10311032.00</p> <p><b>(ii) 14213251.66</b></p> <p><b>27394588.02</b></p> <p><b>687910229.10</b></p>
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AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W  
Vadodara : 12/07/2014

**Shyam P. Kadakia**      Director  
**Dr. Niranjana M. Panday**      Director

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Rupees in Lacs

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
<b>A. Cash flow from operating activities</b>				
before extraordinary items and tax	43872951.06		33488665.21	
Adjustments for:				
Depreciation and amortisation				
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets	0.00		0.00	
Expense on employee stock option scheme				
Finance costs	-4004.28		-1635.80	
Interest income	62516.00		222154.00	
Dividend income	743160.16		84727.57	
Net (gain) / loss on sale of investments				
		44674622.94		33793910.98
Operating profit / (loss) before working capital changes	44674622.94	44674622.94	33793910.98	33793910.98
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	0.00			0.00
Trade receivables	(3,721,970.00)			0.00
Short-term loans and advances	329,090.00			-329090.00
Long-term loans and advances	(7,982,754.01)			1984035.75
Other current assets	-			-
Other non-current assets	(698,030.00)			-
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	489,368.70			905977.6
Other current liabilities	(160,030.00)			-47438547.29
Other long-term liabilities	(39,888,676.00)			40768676.00
Short-term provisions	-			-
Long-term provisions	-			-
		-51633001.31		-4108947.94
Cash flow from extraordinary items		-6958378.37		29684963.04
Cash generated from operations		-		0
Net income tax (paid) / refunds		-6958378.37		29684963.04
		-6958378.37		29684963.04
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>-6958378.37</b>		<b>29684963.04</b>
<b>B. Cash flow from investing activities</b>	<b>28,419,909.53</b>		<b>15406073.50</b>	
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	0.00		0.00	
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others	22,747,605.43		-23599278.57	
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	-62516.00		-222154	
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	-743160.16		-84727.57	
Rental income from investment properties				
Rental income from operating leases				
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
	50,361,838.80		(8,500,086.64)	
Cash flow from extraordinary items	-			
		50,361,838.80		(8,500,086.64)
		50,361,838.80		(8,500,086.64)
Net income tax (paid) / refunds		-		
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>50,361,838.80</b>		<b>(8,500,086.64)</b>

## KUMAKA INDUSTRIES LIMITED

<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)		83,397.74		0.00
Proceeds from long-term borrowings		-		0.00
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings		(1,382,026.00)		-19886464.37
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost		4004.28		1635.80
Dividends paid				
Tax on dividend				
	(1,294,623.98)		(19,884,828.57)	
<b>Cash flow from extraordinary items</b>		(1,294,623.98)		(19,884,828.57)
<b>Net cash flow from / (used in) financing activities (C)</b>		(1,294,623.98)		(19,884,828.57)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		42,108,836.45		1,300,047.83
Cash and cash equivalents at the beginning of the year		1310243.84		10196.01
Effect of exchange differences on restatement of foreign currency				
Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		43419080.29		1310243.84
<b>Reconciliation of</b>				
Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		2921642.45		1310243.84
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		974627.45		961959.84
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		1947015.00		348284.00
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)				
<b>Cash and cash equivalents at the end of the year *</b>		2921642.45		1310243.84
* Comprises:				
(a) Cash on hand		1947015.00		348284.00
(b) Cheques, drafts on hand				
(c) Balances with banks		974627.45		961959.84
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014



**KUMAKA INDUSTRIES LIMITED**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

<b>1</b>	<b>Name of Subsidiary</b>	<b>:</b>	<b>Kadakia Alkalies and Chemicals Ltd.</b>
<b>2</b>	Financial year / period ended on	:	March 31, 2014
<b>3</b>	No. of equity shares held by M/s. Kumaka Industries Limited	:	95,00,000 Equity Shares of Rs. 10/- each.
<b>4</b>	Extent of interest of M/s. Kumaka Industries Limited in the capital of the subsidiaries	:	100 %
<b>5</b>	Net aggregate amount of loss of the subsidiary so far as it concerns the members of the M/s. Kumaka Industries Limited and is not dealt with in the Company's accounts:		
	(a) Profit/(Loss) for the financial year ended March 31, 2014 of the subsidiaries'	:	0.00
	(b) Profit/(Loss) for the previous financial years of the subsidiaries since it became a subsidiary of M/s. Kumaka Industries Limited	:	Rs. 82,29,82,274
<b>6</b>	Net aggregate amount of loss of the subsidiary so far as dealt with or provision is made for those profit/(loss) in the accounts of M/s. Kumaka Industries Limited		
	(a) For the subsidiary's financial year ended March 31, 2014	:	Not Applicable
	(b) For its previous financial years since it became a subsidiary of M/s. Kumaka Industries Limited	:	Not Applicable

**Information pertaining to Subsidiary Company.**

Sr. No.	Particulars	Kadakia Alkalies and Chemicals Limited.
1	Share capital	9,50,00,000
2	Reserves and surplus	(69,29,82,274)
3	Total assets (investment)	1,03,841
4	Total liabilities	1,03,841
5	Turnover	0
6	Profit/(Loss) before taxation	0
7	Provision for taxation	0
8	Proposed dividend	0

## KADAKIA ALKALIES & CHEMICALS LIMITED

### DIRECTORS' REPORT

To,

The Members,

Your Directors present herewith their 18th Annual Report and Audited Statement of Account for the period ended 31<sup>st</sup> March, 2014.

#### Financial Results:

(In Rupees)

	2013-14	2012-13
Sales and Other Income	10,30,745	Nil
Profit/(Loss) before Interest & Depreciation	10,30,745	Nil
Add / Less : Interest		
Depreciation	Nil	48,449
Profit / (Loss) before Tax	10,30,745	(48,449)
Provision for Taxation	Nil	Nil
Net profit/(Loss) for the year	10,30,745	(48,449)

#### Dividend:

In view of the loss, your Directors do not recommend payment of dividend to the members for the year under review.

#### Operations:

During the year there were no operations.

#### Directors' Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the Annual Accounts on a going concern basis.

#### Shifting of Registered Office From the State of Gujarat to the State of Maharashtra:

As the Members are aware, the Company has its registered office at Vadodara in the state of Gujarat, since its inception whereas the Company is a wholly owned subsidiary Company of M/s. Kumaka Industries Limited (formerly known as Ashok Organics Industries Limited) having its registered office at Mumbai in the state of Maharashtra.

Considering the emerging growth opportunities in Maharashtra State and possibility of incurring lesser operational cost and expenses for establishment, running of business and also to have the synergy in operations at future date and thereby to carry over the business of the Company economically, efficiently, conveniently and advantageously, the Company intends to shift its registered office at Mumbai in the State of Maharashtra at the same place where registered office of its holding Company is situated. This would add lots of administrative convenience with no additional increase operational cost and would assure bright business prospects. It is therefore proposed to the shareholders to consider shifting of Registered office of the Company from Vadodara, in the State of Gujarat to the city of Mumbai in the state of Maharashtra.

#### Energy, Technology & Foreign Exchange :

Information under section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 is not annexed as the Company has not undertaken any activity during the year under review.

#### Particulars of Employees :

During the year, there were no employees whose information are required to be given as per section 217(2A) read with Companies (Particulars of Employees) Rules 1975 as amended.

#### Directors:

Mr. Anil Kadakia, ceased to be the director of the Company with effect from 27<sup>th</sup> August, 2011. The Board places on record its sincere appreciation in respect of valuable contributions received by the Company from him, during his tenure as the Director of the Company.

## KADAKIA ALKALIES & CHEMICALS LIMITED

Mr. Bharat Parikh, Mr. Mohanakrishnan Nair and Mr. Pankaj Kadakia,, have been appointed as Additional Director with effect from 6<sup>th</sup> October, 2011 and 6<sup>th</sup> October, 2011 and 4<sup>th</sup> July, 2012 respectively and they hold office of the Directors till the conclusion of the ensuing Annual General Meeting. Being eligible, they have consented to act as Directors of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidatures for directorship. The Board hopes that the Company would be immensely benefited by contributions of the newly inducted Directors.

### **Auditors:**

M/s. Bhatt Thakker & Co. Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### **Fixed Deposit:**

The Company has not accepted deposits from the public, during the year under review.

### **Remarks made by the Auditors :**

Remarks made by the Auditors in their reports are self explanatory and do not call for any explanation by the Directors

### **Acknowledgements:**

Your Directors wish to place on record their appreciation of the co-operation received by the Company from the Government Authorities and all other concerned for furtherance of interest of the Company.

**For and on behalf of the Board**

**Date: 12<sup>th</sup> July, 2014**  
**Place: Vadodara**

**Pankaj M. Kadakia**  
**Chairman**

## KADAKIA ALKALIES & CHEMICALS LIMITED

### AUDITOR'S REPORT

**TO,  
THE MEMBERS,  
KADAKIA ALKALIES AND CHEMICALS LTD,  
MUMBAI**

We have audited the attached Balance Sheet of KADAKIA ALKALIES AND CHEMICALS LIMITED as at 31st March, 2014 and also the profit and Loss account for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.

As required by companies ( Auditors Report ) order, 2003 and according to the information and explanations given to us during the course of audit and on the basis of such checks as we consider appropriate we give in the said information in the annexure forming part of this report, as specified in Paragraphs 4 & 5 of the said Order.

Further to our comments as above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books :
- iii) The Balance sheet and profit and loss Account dealt with by this report are in agreement with the books accounts.
- iv) In our opinion, the Balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the companies Act 1956.
- v) On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that None of the directors are Not disqualified as on 31st march, 2013 from being appointed as a director in terms of clause (9) of sub-section (1) of section 274 of the companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to note 5 of schedule 19 regarding the preparation of accounts on going concern assumption and read along with other notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- vii) In the case of the Balance Sheet, of the state of affairs, of the company as at 31st March, 2014; and
  - i) In the case of the Balance sheet, of the state of affairs of the company as at 31st March, 2014; and
  - ii) In the case of profit and Loss Account, of the loss for the period ended on that date and,

**for BHATT THAKKER & CO.  
CHARTERED ACCOUNTANTS**

**M.L. THAKKER  
PARTNER  
(MN 044517)**

**Firm Reg. No. 124010W**

**PLACE : VADODARA.**

**DATE : 12/07/2014.**

## KADAKIA ALKALIES & CHEMICALS LIMITED

### Annexure referred to in the Auditors' Report.

- (i) (a) The Fixed Assets Register was not available for our verification during the Year Under Audit & Hence we are unable to verify whether the Company has updated or not updated the records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets are not physically verified by the management at reasonable intervals;
- (c) The Company has disposed of a substantial part of fixed asset during the year.
- (ii) The stock of Finished Goods, Stores and consumables was NIL and therefore information required by this clause is not given.
- (iii) (a) The Company has not taken any loans, secured or unsecured from companies or parties except from the holding company, This loan is free of interest. The amount of loan outstanding as on 31-03-2013 is Rs.5976.15 lacs.
- (b) The Company has granted any loans or advances in nature of loan to the companies parties listed in the register maintained under section 301 of companies Act 1956.
- (iv) There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of stock of Finished Goods, Raw materials, stores and consumables and Trading Material and fixed assets and for the sale of goods :
- (v) As per information available and produced for the verification during the course of audit and to the best of our knowledge the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered. Each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from the public and provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) The company does not have an internal audit system:
- (viii) Maintenance of cost records has been prescribed by the Central Government under clause (d) of Sub-section (1) of section 209 of the Act in respect of Caustic Soda Manufactured by the company. the records are not maintained as required by the provisions of section 209 (1) (d).
- (ix) (a) According to the records of the company and subject to method of accounts consistently follow by it, no undisputed amount except amount payable to the appropriate authorities in respect of provident Fund and Income-tax were outstanding as on 31-03-2013 for the period of six months from the date they become payable , all were Transferred to Holding Company.
- (ix) (b) In case of dues of Sales tax & Income Tax dues also the same were transferred to holding Company. Also Refer Notes on Contingent Liability for further details.
- (x) (a) The Company has the accumulated losses at the end of the financial year in excess of its Net worth and hence it is a Sick Industrial Company.
- (xi) (a) The Company has transferred the Chlor – Alkali division to Holding company M/s. Kumaka Industries Limited along with all assets and liabilities. Company.
- (xii) According to the Information & Explanation given to us, the Company has not granted Loans and Advances on the basis of security by way of pledge of Shares , Debentures And other Securities.
- (xiii) According to the Information & Explanation given to us, the Company is not a Chit Fund or a nidhi / Mutual benefits Fund / Society. Therefore the Provisions of Clause 4 (xiii) of the Companies (Auditors Report) Order , 2003 are not applicable to the Company.
- (xiv) According to the Information & Explanation given to us, the Company is not dealing or Trading in Shares , Securities , Debentures & other investments. Accordingly , the Provisions of Clause 4 (xiv) of the Companies (Auditors Report) Order , 2003 are not applicable to the Company.
- (xv) According to the Information & Explanation given to us , The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- (xvi) According to the Information & Explanation given to us by the management, The Company has not taken any term loans during the year and as such the information required by this para is not applicable.
- (xvii) The Company has not taken any term loans on short- term basis during the year.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act,
- (xix) The Company has not issued any Debentures during the Year under Audit.
- (xx) The Company has not raised any Monies by way of Public Issue during the Year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

for **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANTS**

**M.L. THAKKER**  
**PARTNER**  
**(MN 044517)**  
**Firm Reg. No. 124010W**

**PLACE : VADODARA.**  
**DATE : 12/07/2014.**

**KADAKIA ALKALIES & CHEMICALS LIMITED**

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

Amount (in Rs.)

PARTICULARS	Note No.	31.03.2014	31.03.2013
<b>* (A) EQUITY AND LIABILITIES:</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	<b>3</b>	95000000.00	95000000
b) Reserve & Surplus	<b>4</b>	(692982274.35)	(692982274)
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		N I L	N I L
<b>3) NON-CURRENT LIABILITIES :</b>			
(a) Long-term borrowings		N I L	N I L
(b) Deferred tax liabilities (net)		N I L	N I L
(c) Other long-term liabilities		N I L	N I L
(d) Long-term provisions		N I L	N I L
<b>4) CURRENT LIABILITIES :</b>			
(a) Short-term borrowings	<b>5</b>	597614973.00	597614973
(b) Trade payables	<b>6</b>	471142.35	471142
(c) Other current liabilities	<b>7</b>	N I L	N I L
(d) Short-term provisions		N I L	N I L
	<b>TOTAL Rs.</b>	<b>103841.00</b>	<b>103841</b>
<b>* (B) ASSETS :</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Fixed assets (Net Block)			
(i) Tangible assets	<b>8</b>	N I L	N I L
(ii) Intangible assets		N I L	N I L
(iii) Capital work-in-progress		N I L	N I L
(b) Non-current investments	<b>9</b>	5000.00	5000
(c) Deferred tax assets (net)		N I L	N I L
(d) Long-term loans and advances	<b>10</b>	93945.00	93945
(e) Other non-current assets		N I L	N I L
<b>2) CURRENT ASSETS :</b>			
(a) Current investments		N I L	N I L
(b) Inventories		N I L	N I L
(c) Trade receivables		N I L	N I L
(d) Cash and cash equivalents	<b>11</b>	4896.00	4896
(e) Short-term loans and advances		N I L	N I L
(f) Other current assets		N I L	N I L
	<b>TOTAL Rs.</b>	<b>103841.00</b>	<b>103841</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>			
	<b>2</b>		

\* The Notes referred to above form an integral part of the Financial Statements.

\* This is the Balance Sheet referred to in our Audit Report of even date.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Pankaj M Kadakia**  
Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Mr. Bharat A. Parikh**  
Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KADAKIA ALKALIES & CHEMICALS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Amount (in Rs.)

PARTICULARS	Note No.	2013-14	2012-13
<b>* INCOME :</b>			
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from Operations (Gross)		NIL	NIL
Less : Excise Duty		NIL	NIL
Revenue from Operations (Net)		NIL	NIL
<b>II. OTHER INCOME</b>	12	0.00	0.00
<b>III. TOTAL REVENUE (I+II)</b>	<b>Rs.</b>	<b>0.00</b>	<b>0</b>
<b>* EXPENSES :</b>			
(a) Cost of materials consumed		NIL	NIL
(b) Purchases of stock-in-trade		NIL	NIL
(c) Changes in Inventories		NIL	NIL
(d) Employee benefits expense		NIL	NIL
(e) Finance costs		NIL	NIL
(f) Depreciation and amortisation expense		NIL	NIL
<u>(g) Other expenses:</u>			
- Administration, Selling & Other Expenses		NIL	NIL
- Loss on Sale of Fixed Assets		NIL	NIL
<b>IV. TOTAL EXPENSES</b>	<b>Rs.</b>	<b>NIL</b>	<b>0</b>
<b>V. PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>		<b>NIL</b>	<b>NIL</b>
<b>VI. EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS</b>		<b>NIL</b>	<b>NIL</b>
<b>VII. PROFIT BEFORE TAX</b>		<b>0.00</b>	<b>0</b>
<b>VIII. TAX EXPENSE:</b>			
(a) Current Tax		NIL	NIL
(b) Tax Expense - Prior Period		NIL	NIL
		NIL	NIL
<b>IX. NET PROFIT (LOSS) AFTER TAX FOR THE PERIOD</b>		<b>0.00</b>	<b>0</b>
<b>X. EARNING PER SHARE</b> (Equity Share of Face Value of Rs.10/- each)			
<b>Basic &amp; Diluted Earning Per Equity Share (in Rs.)</b>		<b>0.00</b>	<b>0.00</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>	2		

\* The Notes referred to above form an integral part of the Financial Statements

\* This is the Profit and Loss Account referred to in our Audit Report of even date.

AS PER OUR REPORT OF EVEN DATE

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W  
Vadodara : 12/07/2014

For and on behalf of the Board

**Pankaj M Kadakia**  
Director  
**Mr. Bharat A. Parikh**  
Director

Vadodara : 12/07/2014

## KADAKIA ALKALIES & CHEMICALS LIMITED

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

#### NOTE NO.1:

##### CORPORATE INFORMATION :

Name of the Company : **KADAKIA ALKALIES & CHEMICALS LIMITED.**  
Registered Office : 5-B, Ramkrishna Chambers, Productivity Road, Alkapuri, Vadodara - 390005.  
Nature of Business : Manufacturing of Chemicals

#### NOTE NO.2 :

##### SIGNIFICANT ACCOUNTING POLICIES :

##### **2.1. General :**

The accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles.

##### **2.2. Basis of Accounting :**

The financial statements are prepared under the historical cost convention on accrual basis and in conformity with all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

##### **2.3. Use of estimates :**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the Financial Statements and reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

##### **2.4. Inventories :**

(i) Raw materials, stores and spares and packaging material are valued at landed cost on FIFO basis. (ii) Semi-finished goods are valued at cost / transfer price of raw materials consumed in process and cost of conversion incurred to bring the inventory to its present location, however in the current year it is accounted on Net Realisable Value. (iii) Finished goods are valued at Net Realisable Value. (iv) Residual and by products generated during the process of production are valued at Net Realisable Value except in cases where there is no certainty of Realisation. (v) Trading goods are valued at Realisable value

##### **2.5. Cash and cash equivalents (for purposes of Cash Flow Statement) :**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amount.

##### **2.6. Cash flow statement :**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

##### **2.7. Depreciation and Amortisation :**

The Depreciation is provided on straight line method by applying rates prescribed under schedule XIV of the companies Act 1956 to the W.D.V. as on 31st March, 1990 and on actual cost of acquisition after that date. Depreciation on addition / deletion to the assets during the year is provided on pro-rata basis. **No Depreciation on Fixed Assets has been Provided as the Assets are not in Usable Condition and they have not been used for the business of the Company.**

Impairment of Assets An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period. Intangible Assets It is the Policy of the Company to state the Intangible Assets at cost of acquisition Less accumulated amortisation. Technical know how is amortised over useful life of the underlying plant. However there are no Intangible Assets accounted till year end in the Company's Accounts.

##### **2.8. Revenue Recognition :**

Revenue in respect of insurance claims, interest and other claims is recognised when it is reasonably certain that the ultimate collection will be made. The company values its secret formula know-how Designs & Proprietary items in the books of accounts based on the valuation of the same by approved valuer and when it is reasonably certain that the ultimate collection will be made.

Revenue from the sale of goods are recognized by the passage of title of the goods to the customers - which generally coincides with the despatch / supply / delivery of the goods.

Revenue in respect of insurance claims, interest and other claims is recognised when it is reasonably certain that the ultimate collection will be made.

##### **2.9. Other Income :**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

##### **2.10. Fixed Assets :**

Fixed Assets are stated at cost of acquisition including cost which are incidental and attributable for bringing the assets to its working condition for its intended use, less accumulated depreciation.

Fixed assets are stated at cost of acquisition / construction net of Cenvat credit on capital goods but inclusive of inward freight, duties and taxes, incidental expenses related to acquisition and, interest incurred up to the date of commercial production. The figures of land and building, which have been revalued during the accounting year 1994-95, are on the basis of the valuation report of an approved valuer. Fixed



## KADAKIA ALKALIES & CHEMICALS LIMITED

Assets sold during the year were accounted and reduced from gross block, accumulated depreciation and depreciation revaluation reserve. Reserve were reversed on pro-rata basis.

### Capital work-in-progress:

There is No Capital Work In Progress at year end.

However there are no Intangible Assets accounted till year end in the Company's Accounts.

### **2.11. Foreign currency transactions and translations :**

#### Treatment of exchange differences

Transactions in foreign exchange are recognised at exchange rates prevailing at the time of transaction. The gain / loss arising on settlement during the year is recognised in the profit and loss account on remittance / realisation of the amount.

Duty free imports of Raw Materials under Advance Licence for imports as per the import and export policy are matched with the exports made against the said licence and the net benefit / obligation is accounted by making suitable adjustments in the raw material consumption.

The benefits accrued under the duty entitlement pass book scheme as per the import and export policy in respect of exports made under the said scheme have been included under the head "export incentives".

However there is no Export during the year.

### **2.12. Investments :**

The Long Term Investments in the nature of Trade Investments made by the Company have been valued at cost. There is diminution in the value of investments; but the Company has made necessary provision for the diminution in the value of investments as per the requirements of Accounting Standard 13 on Investment as notified by ICAI..

Long term Investments are stated at cost, except where there is diminution in value other than temporary, in which case the carrying value is reduced to recognise the decline. Current investments are stated at lower of cost and fair value computed category-wise.

### **2.13. Employee benefits :**

#### Short-term employee benefits

Short Term Employee Benefits are charged off at the undiscounted amount in the year in which the related services is rendered.

#### Long-term employee benefits

Long Term Employee Benefits and Post Employment Benefits are charged off in the year in which the employee has rendered services. The Amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain & loss in respect of post employment and other long term benefits are charged to profit & loss Account. The Provident Fund & Pensions contributions are made to a government administered Provident Fund towards which the company has no further obligations beyond its monthly contributions.

#### **Retirement Benefits**

The Company's contribution to Provident Fund is charged against revenue every year. In respect of gratuity, the Company has created approved gratuity trust and Company every year provides towards differential liability on the basis of Estimation Provision for leave encashment is not made. Management does not anticipate any further liability in the future on this account.

### **2.14. Borrowing Costs :**

Borrowing cost that are directly or indirectly attributable to the acquisition, construction or production of an asset is capitalised upto the date these assets are put to intended use. Borrowing cost after the assets are put to intended use and incurred for the operations of the company is recognised as an expense in the period in which they are incurred.

### **2.15. Segment Reporting :**

The Company is engaged in manufacture of chemicals, which as per Accounting Standard - As 17 is considered the only reportable business segment. The geographical segmentation is not relevant, as exports are in significant.

### **2.16. Accounting for Taxes on Income:**

Taxes on Income are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India.

Income tax expenses comprises of current tax and deferred tax charge or credit. Provision for current tax is to be made on the basis of estimated tax payable for the year as per the applicable provisions of the IncomeTax Act. The deferred tax charge or credit is recognized using current tax rate. Deferred tax asset is recognized only if there is sufficient evidence that future taxable income will be available. Deferred Tax is recognized subject to consideration of prudence, on timing differences that originate in one period and are capable of reversal in one or more subsequent period between taxable income and accounting income. Deferred Tax adjustments in terms of accounting standard 22 resulting from timing differences is not considered in the books of accounts as operations of the company are severely curtailed and no immediate benefit or claim is expected to arise in near future. However the Company doesn't have profit after considering the previous Losses & hence No Tax Liability including Deferred Tax is worked out.

### **2.17. Research and Development Expenses :**

Research and development costs (other than costs of fixed assets acquired) are charged as an expense in the year in which they are incurred and are reflected under the appropriate heads of accounts.

However there is no such Expenditure during the year.

### **2.18. Provisions and Contingencies :**

Provisions are recognized when the company has a present legal or constructive as a result of past events and it is probable that an obligation of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Contingent Liabilities are stated by way of notes to the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialise after the year end, till the finalisation of accounts and have material effect on the position stated in the balance sheet

## KADAKIA ALKALIES & CHEMICALS LIMITED

The Central Government vide its letter dated 8th February 2007, has permitted the Company with effect from 1st December 2006 to pay remuneration to its Managing Director in excess of the limits prescribed under section 309 (3) and 198 (1) of the Companies Act 1956. Accordingly the Company has provided remuneration to the Managing Director as per the permission granted by the Central Government. However No provision made because of insufficient Profit.

### 2.19. Pre-Operative Expenditure :

Pre-operative Expenditure is carried forward to be capitalised and apportioned to various assets on commissioning of the project.

### 2.20. Service tax/ Excise & Cenvat :

#### Excise :

Excise duty payable on company's products is accounted on production thereof.

#### Cenvat :

Cenvat credit available on raw material / inputs is accounted on accrual basis on consumption of materials and appropriated against payment of Excise Duty payable on clearance of finished goods. Consumption of Raw Material / Inputs is accordingly net of such cenvat credit. Cenvat Credit available on capital goods are appropriated after commissioning of the item / project as payment of excise duty payable on clearance of finished goods from factory premises,

The Capital goods are stated net of Cenvat Credit.

### 2.21. Deferred Revenue Expenditure & Preliminary Expenditure. :

Deferred Revenue Expenses is written off over 3 / 5 years and balance is carried forward under the head Miscellaneous Expenditure in the Balance Sheet.

### 2.22. Related Party Transaction :

As required by Accounting Standard AS - 18 "Related Parties Disclosure" Disclosure is made

Only of the Related Parties with whom Transactions are entered During the Current

Financial Year & the details of the same are as follows:

List of Related Parties with whom Transactions are entered during the Current

Financial Year are as under (more than 20% control led by the Directors and Relatives.)

#### A. Associated companies

Kumaka Industries Limited

Aqua Alco- Biotech Pvt.Ltd

Ashok Cellulose Limited

Ashok Brothers

USM Enterprise

#### B. Key Management Personnel and Relatives

Mr. Pankaj M Kadakia

#### C. Relatives of Key Management Personnel

Mrs.Madhavi Pankaj Kadakia (Wife of Mr. Pankaj M Kadakia)

#### D. Details of transaction upto the Previous Year with related parties are as follows:

Rs. in Lacs

Particulars	Associates	Key Mgt.	Relative
Purchase of goods & services	Nil	Nil	Nil
Sale of goods & services	Nil	Nil	Nil
Remuneration and sitting fees	Nil	Nil	Nil
Finance(including loans and equity contributions in cash or in kind)	2250.00	Nil	Nil
Rent and Lease payments in Provisions	Nil	Nil	Nil
Debts due to the company(Loans & Advances)	0.94	Nil	Nil
Debts due to the company(Sundry Debtors)	Nil	Nil	Nil
Debts payable by the Company	5976.15	Nil	Nil

Cenvat credit not recouped in payment of excise duty on the dispatches of products, to the extent usable, is treated as Cenvat credit receivable and shown under " Loans & Advances".

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KADAKIA ALKALIES & CHEMICALS LIMITED**

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

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.3</b>		
<b>SHARE CAPITAL :</b>		
(i) <b>Authorised Share Capital :</b>	100,000,000.00	100,000,000
<b>NOTE NO.3</b>		
<b>SHARE CAPITAL :</b>		
(i) <b>Authorised Share Capital :</b> [1,00,00,000 Equity Share @ Rs.10/- each. ]	100,000,000.00	100,000,000
(ii) <b>Issued, Subscribed &amp; Paid-up Capital :</b> [95,00,000 Equity Share @ Rs.10/- each fully paid-up. ]	95,000,000.00	95,000,000
	<b>95000000.00</b>	<b>95000000</b>
<b>3.1 Details of Shares issued for consideration other than Cash, Bonus Shares issued and Shares Bought Back by the Company during the period of preceeding 5 years i.e. 1.04.2007 to 31.03.2012</b>	NIL	NIL
<b>3.2 Reconciliation of number of shares and amount outstanding at the beginning and end of the year:</b> Equity shares of Rs.10/- each with voting rights fully paid-up:		
	<b>31.03.2014</b>	<b>31.03.2013</b>
	No. of Shares	Amount (Rs.)
Equity shares outstanding at the beginning of the year	9500000	95000000.00
Fresh Issue/ESOP/ Bonus Issue of Shares	NIL	NIL
Redemption/ Buy Back of Shares	NIL	NIL
Equity shares outstanding at the end of the year	9500000	95000000.00
<b>3.3 All the equity shares issued by the Company rank pari passu in terms of rights as to dividend, repayment of capital and voting rights attached to such shares.</b>		
<b>3.4 Details of Shareholders holding more than 5% Equity shares in the Company:</b>		
	<b>31.03.2014</b>	<b>31.03.2013</b>
	No. of Shares	% of Holding
Name of the Shareholder	No. of Shares	% of Holding
1. Kumaka Industries Ltd.	9500000	100.00%
<b>NOTE NO.4</b>		
<b>RESERVES &amp; SURPLUS:</b>		
<b>a) Depreciation Reserve :</b>		
Opening balance	NIL	335322
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance (a)	<b>N I L</b>	<b>335322</b>
<b>b) Share Premium Account:</b>		
Opening balance	130000000.00	130000000
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance (b)	<b>130000000.00</b>	<b>130000000</b>
<b>c) Surplus (Deficit) in Profit and Loss Statement:</b>		
Opening balance	(822982274.35)	(822982274)
Add: Profit / (Loss) for the year	0.00	NIL
Amounts transferred from General Reserve	NIL	NIL
	(822982274.35)	(822982274)
Less : Proposed Dividend & Tax thereon	NIL	NIL
Amounts transferred to General Reserve	NIL	NIL
Closing balance of Profit and Loss Statement (c)	<b>(822982274.35)</b>	<b>(822982274)</b>
<b>Total (a) + (b) + (c) Rs.</b>	<b>(692982274)</b>	<b>(692982274)</b>

**KADAKIA ALKALIES & CHEMICALS LIMITED**

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.5:</b>		
<b>SHORT TERM BORROWINGS:</b>		
(a) <b>Loans repayable on Demand:</b>	NIL	NIL
(b) <b>Loans and Advances from Related Parties:</b>		
Loans from Holding Company - Kumaka Industries Ltd.	597614973.00	597614973
<i>(Interest free Unsecured Loans - for which no repayment schedule has been fixed and hence considered as repayable on demand.)</i>		
(c) <b>Deposits:</b>	NIL	NIL
(d) <b>Other Loans and Advances:</b>	NIL	NIL
	<b>597614973.00</b>	<b>597614973</b>
In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The balances are subject to confirmation from the parties.		
<b>NOTE NO.6:</b>		
* <b>TRADE PAYABLES:</b> (Annexure 2)		
Sundry Creditors for Goods		
Micro Small & Medium Enterprises (MSME)	NIL	NIL
Parties other than MSME Units	471142.35	471142
(Other than Long Term Trade Payables)		
	<b>471142.35</b>	<b>471142</b>
The balances are subject to confirmation from the parties.		
The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Creditors, Sister Concern, Associate Concern, Directors , Director Relative Account. As required by the notification no.GSR 129(E) dated 22nd February,1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs based on the information available with the Company in respect of the status the suppliers, being Small Scale Industrial Undertaking, the information carried for by the company has not been received and as such liability for amount owed including interest in excess of Rs. 100000/- for such supplier has not been given.		
<b>NOTE NO.7:</b>		
<b>OTHER CURRENT LIABILITIES:</b>		
(a) <b>Current maturities of long-term debt:</b>	NIL	NIL
(b) <b>Loans and Advances from Related Parties:</b>	NIL	NIL
(c) <b>Other Current Liabilities: (Refer Annexure 3)</b>		
(i) Advances from Parties	NIL	NIL
(ii) Other Liabilities	NIL	NIL
	<b>NIL</b>	<b>NIL</b>
In the opinion of the Board of Directors, the Other Current Liabilities are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The balances are subject to confirmation from the parties. During the Year under Audit the Company has W/ OFF and W/BACK Outstanding Balance in Unsecured Loan,Other Liability. The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Creditors, Sister Concern, Associate Concern, Directors , Director Relative Account. Provision for taxation is not required to be made as there is no taxable income as per the provisions of the Income Tax Act,1961.		

**KADAKIA ALKALIES & CHEMICALS LIMITED**

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.8 :</b>		
<b>NON-CURRENT INVESTMENTS:</b>		
<b>(A) Trade Investments:</b>		
(a) Investment Properties	NIL	NIL
(b) Investment in Equity instruments:	NIL	NIL
(c) Other non-current investments:	NIL	NIL
<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>
<b>(B) Other Investments: (Non-Trade)</b>		
(a) Investment in Equity instruments:	NIL	NIL
(b) Investment in Govt. Securities : (Good) National Savings Certificates	5000.00	5000
(c) Other non-current investments: (Good)	NIL	NIL
<b>Total (B)</b>	<b>5000.00</b>	<b>5000</b>
<b>Grand Total (A + B)</b>		
Less : Provision for diminution in the value of Investments	NIL	NIL
<b>Total</b>	<b>5000.00</b>	<b>5000</b>
<b>Other Disclosures relating to Investments:</b>		
1. Aggregate amount of quoted investments	NIL	NIL
2. Aggregate amount of unquoted investments	5000.00	5000
3. Details of Trade Investment :		
There is No trade Investment by the Company. Hence No Comments.		

**NOTE NO.9:**

**FIXED ASSETS:**

**TANGIBLE ASSETS:**

Name of Asset	GROSS BLOCK (AT COST )					DEPRECIATION BLOCK				NET BLOCK	
	Rate of Depn.	As at 01.04.2013	Additions	Disposal/ Adjustment	As at 31.03.2014	Upto 31.03.2013	For 2013-14	Depn. W. Back	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2014
Building	3.34%	0	NIL	NIL	0	0	NIL	NIL	0	0	0
Plant & Machinery	1.63%	0	NIL	NIL	0	0	NIL	NIL	0	0	0
Furniture Fixtures	4.75%	0	NIL	NIL	0	0	NIL	NIL	0	0	0
Vehicles	13.91%	0	NIL	NIL	0	0	NIL	NIL	0	0	0
Total Rs.		0	NIL	0	0	0	0	0	0	0	0
Previous Year		7456634	NIL	7456634	0	6776906	0	6776905	0	679729	0

During the Year under Audit the Company has Accounted for Advance from K.PACQUA PRODUCTS PVT. LTD. Towards Sale of All Fixed Assets and Profit on Sale is Accounted as Other Income.

The Fixed Assets Register is required to be Produced before us for our verification.

**KADAKIA ALKALIES & CHEMICALS LIMITED**

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.10:</b>		
* <b>LONG TERM LOANS &amp; ADVANCES:</b>		
a. Capital Advances	NIL	NIL
b. Security Deposits:		
- Deposit with Suppliers & Others	NIL	NIL
c. Loans and advances to related parties:		
- Interest-free Loan/Advance to Subsidiary Co.	NIL	NIL
- Interest-free Loan/Advance to Other Related Parties	93945.00	93945
d. Other loans and advances (specify nature)		
Advances recoverable in Cash/Kind	NIL	NIL
	93945	93945
Less: Provision for doubtful loans and advances	NIL	NIL
<b>Total Amount Rs.</b>	<b>93945</b>	<b>93945</b>
<b>Other Disclosures relating to Long Term Loans &amp; Advances:</b>		
<b>Loans granted to:</b>		
Directors	NIL	NIL
Other officers of the Company	NIL	NIL
Company which is a subsidiary of the Company	NIL	NIL
Firm in which director is a partner	NIL	NIL
Private Company in which director is a member	NIL	NIL
Other Related Parties	93945.00	93945.00
In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business. The balance of Sundry debtors includes overdue balance from various parties and also efforts are being made for recovery from such parties. The balances are subject to confirmation from the parties.		
During the Year under Audit the Company has W/OFF and W/BACK Outstanding Balance in Loan and Advances Account The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Sister Concern, Associate Concern, Directors , Director Relative Account. Please Refer Notes on Accounting Policies wherein as per requirements of AS-18 for Related Parties Transaction were mentioned in Details on Point No.2.22.		
<b>NOTE NO.11:</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
A. BALANCE WITH BANKS:		
Earmarked Balances	NIL	NIL
Margin Money Deposits as Security against Borrowings:		
TDR with Dena Bank	NIL	NIL
Balance in Current Accounts with Banks:	NIL	NIL
B. CHEQUES, DRAFTS ON HAND:	NIL	NIL
C. CASH BALANCE ON HAND:	4896.00	4896
	<b>4896.00</b>	<b>4896</b>
The Company has to obtained closing Bank Balance Certificate of the Bank at the year end i.e. as of 31-03-2014. During the Year under Audit Bank Balances including Margin Money FD were Written Off by transferring the Same into Profit & Loss Account.		
<b>Additional Notes Forming Part of Balance -Sheet And Profit &amp; Loss Account.</b>		
01.	The Company has transferred the Chlor-alkali Unit, with all its assets and liabilities on going concern basis at cost, including Contingent Liability to Kumaka Industries Limited, Holding Company effective from 1st June 2005.	
02.	Provision for taxation is not required to be made as there is no taxable income as per the provision of Income Tax Act, 1961.	
03.	In Respect of Previous Years Figures : The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. The Revised Schedule VI does not require presentation of a reconciliation explaining the impact of the reclassification of the previous year figures in the financial statements. The Previous year's figures have been regrouped / rearranged wherever found necessary.	

AS PER OUR REPORT OF EVEN DATE

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W  
Vadodara : 12/07/2014

For and on behalf of the Board

**Pankaj M Kadakia**  
Director

**Mr. Bharat A. Parikh**  
Director

Vadodara : 12/07/2014

**KADAKIA ALKALIES & CHEMICALS LIMITED**

	31.03.2014 Amount (Rs.)	31.03.2013 Amount (Rs.)
<b>NOTE NO.12</b>		
<b>OTHER INCOME:</b>		
Dividend Income	NIL	NIL
Interest Earned on Investments	NIL	NIL
Profit on Sale of Fixed Asset	NIL	NIL
Sundry Accounts W/off-Write Back	NIL	NIL
Other non-operating income (net of expenses)	NIL	NIL
<b>Total Rs.</b>	<u>0.00</u>	<u>0.00</u>

During the Previous Year the Company has W/OFF and W/BACK Outstanding Balance in Loan and Advances Account and S.Drs.,S.Crs., Investment, Unsecured Loan, Other Liability. The Balance Confirmation Certificate at the Year End were Not Obtained by the Company in case of all the Debtors, Creditors, Sister Concern, Associate Concern, Directors, Director Relative Account.

During the Previous Year the Company has Accounted for Advance from K.P.ACQUA PRODUCTS PVT. LTD. Towards Sale of All Fixed Assets and Profit on Sale is Accounted as Other Income.

AS PER OUR REPORT OF EVEN DATE

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W  
Vadodara : 12/07/2014

For **and on behalf of the Board**

**Pankaj M Kadakia**  
Director

**Mr. Bharat A. Parikh**  
Director

Vadodara : 12/07/2014

**KADAKIA ALKALIES & CHEMICALS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Rupees in Lacs

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)	Amount(Rs.)
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	-		-	
<u>Adjustments for:</u>				
Depreciation and amortisation	0.00		0.00	
Provision for impairment of fixed assets and intangibles				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets	-		-	
Expense on employee stock option scheme				
Finance costs				
Interest income				
Dividend income				
Net (gain) / loss on sale of investments		-		-
Operating profit / (loss) before working capital changes	-	-	-	-
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories				
Trade receivables				
Short-term loans and advances				
Long-term loans and advances	-		-	-
Other current assets				
Other non-current assets			-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables				
Other current liabilities		-	-	
Other long-term liabilities				
Short-term provisions		-		
Long-term provisions		-		
		-		-
		-		-
Cash flow from extraordinary items				
Cash generated from operations		-		-
Net income		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		-		-
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	-		-	
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Rental income from investment properties				
Rental income from operating leases				
Amounts received from partnership firms				
Amounts received from AOPs				



**KADAKIA ALKALIES & CHEMICALS LIMITED**

Amounts received from LLPs	-		-	
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		-		-
<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)	-		-	
Proceeds from long-term borrowings				
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost				
Dividends paid				
Tax on dividend				
Cash flow from extraordinary items	-	-	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>		-		-
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		-		-
Cash and cash equivalents at the beginning of the year		4,896.00		4,896.00
Effect of exchange differences on restatement of foreign currency				
Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>4,896.00</b>		<b>4,896.00</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		4,896.00		4,896.00
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)			-	
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		4,896.00		4,896.00
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		-		
<b>Cash and cash equivalents at the end of the year *</b>		<b>4,896.00</b>		<b>4,896.00</b>
* Comprises:				
(a) Cash on hand		4,896.00		4,896.00
(b) Cheques, drafts on hand				
(c) Balances with banks		-		-
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
<b>See accompanying notes forming part of the financial statements</b>				

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Pankaj M Kadakia**  
Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Mr. Bharat A. Parikh**  
Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

## KUMAKA INDUSTRIES LIMITED

### Consolidated Auditors' Report

To  
The Board of Directors of  
KUMAKA INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of KUMAKA INDUSTRIES LIMITED ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2014 the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have audited the financial statements of a subsidiary, whose financial statements reflect total assets of Rs.1,03,841 as at March 31, 2014, total revenues of Rs. NIL and net cash outflows amounting to Rs. NIL for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by us whose reports have been furnished and our opinion is expressed.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. However during the Current Financial Year the Company doesn't have any Operational Activity. There is One Subsidiary and it doesn't have any Operational Activity, considering this fact, we have enclosed Only Consolidated Balance Sheet And Statement of Profit & Loss without giving Separate Notes forming Part of the Same. However for Detail Please refer the Notes forming Part of Financial Statements with the Separate Financial Statements of Holding & Subsidiary Prepared Individually for each.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiary and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
  - (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and

**For Bhatt Thakkar & Co.**  
**Chartered Accountants**

**(M. L. Thakkar)**  
**Partner**  
**M. No. 44517**  
**FRN: 124010W**

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

Amount (in Rs.)

PARTICULARS	31.03.2014	31.03.2013
<b>* (A) EQUITY AND LIABILITIES:</b>		
<b>1) SHAREHOLDERS' FUNDS :</b>		
a) Share Capital	120856250.00	120856250
b) Reserve & Surplus	(330631736.48)	(360895672)
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	NIL	NIL
<b>3) NON-CURRENT LIABILITIES :</b>		
(a) Long-term borrowings	NIL	NIL
(b) Deferred tax liabilities (net)	NIL	NIL
(c) Other long-term liabilities	880000.00	40768676
(d) Long-term provisions	NIL	NIL
<b>4) CURRENT LIABILITIES :</b>		
(a) Short-term borrowings	597865977.00	599248003
(b) Trade payables	2159309.65	1669941
(c) Other current liabilities	35203130.60	35366813
(d) Short-term provisions	NIL	NIL
<b>TOTAL</b>	<b>426332930.77</b>	<b>437014011</b>
<b>* (B) ASSETS :</b>		
<b>1) NON-CURRENT ASSETS</b>		
(a) Fixed assets (Net Block)		
(i) Tangible assets	26801372.08	28419910
(ii) Intangible assets	NIL	NIL
(iii) Capital work-in-progress	NIL	NIL
(b) Non-current investments	861173.14	23608779
(c) Deferred tax assets (net)	NIL	NIL
(d) Long-term loans and advances	391323847.10	383341093
(e) Other non-current assets	698030	NIL
<b>2) CURRENT ASSETS :</b>		
(a) Current investments	NIL	NIL
(b) Inventories	NIL	NIL
(c) Trade receivables	3721970.00	NIL
(d) Cash and cash equivalents	2926538.45	1315140
(e) Short-term loans and advances	NIL	329090
(f) Other current assets	NIL	NIL
<b>TOTAL</b>	<b>426332930.77</b>	<b>437014011</b>

\* This is the Consolidated Balance Sheet referred to in our Audit Report of even date.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Amount (in Rs.)

PARTICULARS	2013-14	2012-13
<b>* INCOME :</b>		
<b>I. REVENUE FROM OPERATIONS</b>		
Revenue from Operations (Gross)	NIL	NIL
Less : Excise Duty	NIL	NIL
Revenue from Operations (Net)	NIL	NIL
<b>II. OTHER INCOME</b>	44189662.76	61199944
<b>III. TOTAL REVENUE (I+II)</b>	<b>44189662.76</b>	<b>61199944</b>
<b>* EXPENSES :</b>		
(a) Cost of materials consumed	NIL	NIL
(b) Purchases of stock-in-trade	NIL	NIL
(c) Changes in Inventories	NIL	NIL
(d) Employee benefits expense	3595063.00	5423425
(e) Finance costs	4004.28	1636
(f) Depreciation and amortisation expense	874225.00	691449
<u>(g) Other expenses:</u>		
- Administration, Selling & Other Expenses	9449322.85	21594769
- Loss on Sale of Fixed Assets	3112.59	NIL
<b>IV. TOTAL EXPENSES</b>	<b>13925727.72</b>	<b>27711279</b>
<b>V. PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>	<b>30263935.04</b>	<b>33488665</b>
<b>VI. EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS</b>	NIL	NIL
<b>VII. PROFIT BEFORE TAX</b>	<b>30263935.04</b>	<b>33488665</b>
<b>VIII. TAX EXPENSE:</b>		
(a) Current Tax	NIL	NIL
(b) Tax Expense - Prior Period	NIL	NIL
	NIL	NIL
<b>IX. NET PROFIT (LOSS) AFTER TAX FOR THE PERIOD</b>	<b>30263935</b>	<b>33488665</b>
<b>X. EARNING PER SHARE</b> (Equity Share of Face Value of Rs.10/- each)		
<b>Basic &amp; Diluted Earning Per Equity Share (in Rs.)</b>	<b>2.50</b>	<b>2.77</b>
* This is the Consolidated Profit and Loss Account referred to in our Audit Report of even date.		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board

For **BHATT THAKKER & CO.**  
**CHARTERED ACCOUNTANT**

**Shyam P. Kadakia** Director

**M. L. Thakker**  
PARTNER  
(M.N. 044517)  
Firm Reg. No. 124010W

**Dr. Niranjana M. Panday** Director

Vadodara : 12/07/2014

Vadodara : 12/07/2014

**KUMAKA INDUSTRIES LIMITED**

**KUMAKA INDUSTRIES LTD.**

[L99999MH1973PLC016315]

**Regd. Office : 209, 2nd Floor, Marine Chambers, 43, New Marine Lines, Churchgate Mumbai - 400020**  
**info@kumakaindustries.com Tel. No. : 0265-2330019; Fax No. : 0265-2333884**

**ATTENDANCE SLIP**

<b>Regd. Folio / DPID &amp; Client ID</b>	
<b>Name and Address of the Shareholder</b>	
<b>No. of Shares held</b>	

1. I / We hereby record my/our presence at the 40th Annual General Meeting of the Company being held on Tuesday, 30th September, 2014 at 3.00 p.m. at 2nd Floor , Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020.
2. Name of Proxy, if any : \_\_\_\_\_
3. Signature of Member / Proxy : \_\_\_\_\_
4. Member / Proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.

Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING.

.....TEARHERE.....

**ELECTRONIC VOTING PARTICULARS**

Shareholders may please note the User ID and Password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration), Rules 2014. Detailed instructions for e-voting are given in the AGM Notice.

<b>E VOTING EVENT NUMBER (EVEN)</b>	<b>USER ID</b>	<b>PASSWROD</b>

Note : The voting period starts from 24th September, 2014 (9.00 a.m.) and ends on 26th September, 2014 (6.00 p.m.). The voting module shall be displayed by CDSL for voting thereafter.

**KUMAKA INDUSTRIES LTD.**

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**ATTENDANCE SLIP**

PLEASE FILL THE ATTENDENCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE.

Joint shareholders may obtain additional Attendance Slip on request.

<b>DP. ID</b>
<b>Client ID</b>

<b>Regd. Folio No.</b>
------------------------

No. of Share(s) held : \_\_\_\_\_

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

I hereby record my / our presence at the 40th ANNUAL GENERAL MEETING of the Company held at 2nd Floor , Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020 on Tuesday, 30th September, 2014 at 3.00 p.m.

**Name of the Member/Proxy**

**Signature of the Member/Proxy**

.....TEARHERE.....

**KUMAKA INDUSTRIES LIMITED**

**KUMAKA INDUSTRIES LTD.**

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**PROXY FORM**

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

Name of the members	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We being a member / members holding \_\_\_\_\_ shares of the above named company, hereby appoint

- 1) .....of.....having email id .....or failing him  
2) .....of.....having email id .....or failing him  
3) .....of.....having email id .....or failing him  
and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual general meeting of the company, to be held on Tuesday, 30th September, 2014 at 3.00 p.m. at 2nd Floor , Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1. To receive, consider and adopt the Financial Statement of year ended 31st March, 2014 including statement of Profit and Loss account for the year ended 31st March, 2014 and Balance Sheet as of that date together and reports of the Directors and Auditors thereon.		
2. To appoint M/s. Manoj Majmudar & Co., Chartered Accountants, Vadodara, bearing ICAI Firm Registration No.105884W, as Statutory Auditors of the Company, at such remuneration as may be fixed by the Board of Directors of the Company, in place of M/s. Bhatt Thakker & Co., Vadodara"		
3. To appoint Mr. Pankaj Kadakia (DIN: 00166339) as a Director		
4. To appoint Dr. Niranjana Maneklal Pandya (DIN : 00385689) as an Independent Director		
5. To appoint Dr. Dhananjay Ichharam Panchal (DIN: 02988364) as an Independent Director		
6. To appoint Dr. Shailesh Ramanlal Modi (DIN: 06457903) as an Independent Director		
7. To Increase in Borrowing limits of the Company.		
8. To Create Charges on the assets of the Company.		
9. To make any loans or investments and to give any guarantee or to provide security.		
10 To alter Articles of Association of the Company		

Signed..... day of ..... 2014

Signature of shareholder

Signature of shareholder

Signature of shareholder

Affix  
Revenue  
Stamp  
Re.1.00

Signature of first proxy holder    Signature of second proxy holder    Signature of third proxy holder

**Note :**

1. The proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, you proxy will be entitled to vote in the manner as he/she may deem appropriate.

**BOOK - POST**

**TO,**

*If undelivered, please return to :*

**KUMAKA INDUSTRIES LTD.**

**(Formerly known as Ashok Organic Industries Limited)**

5B, Ramkrishna Chamber, BPC Road, Alkapuri, Vadodara - 390007