



**KUMAKA INDUSTRIES LIMITED**  
**(CIN: L99999MH1973PLC016315)**

**43<sup>rd</sup>**  
**Annual Report**  
**2016-2017**



## KUMAKA INDUSTRIES LIMITED

(CIN: L99999MH1973PLC016315)

(Established on 13-02-1973)

43<sup>rd</sup> Annual Report 2016-17

### Corporate Information

**Board of Directors** :

Mr. Pankaj M. Kadakia	-	Chairman & Managing Director
Dr. Indula Panchal	-	Non Executive Independent and Women Director
Dr. Nirajan M. Pandya	-	Non Executive Independent Director
Dr. Dhananjay Panchal	-	Non Executive Independent Director
Mr. Shiv Patel (From 31/05/2017)	-	Chief Financial Officer
Ms. Ankita Gupta (From 12/07/2017)	-	Company Secretary

**Auditors** :

M/s. M.B.Majmudar & Co.  
Chartered Accountants,  
Vadodara.

**Registered Office** :

404, Sharda Chambers, 33, Sir Vithaldas Thakersey Marg,  
New Marine lines, Mumbai-400020.

**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](mailto:alpesh.gandhi@linkintime.co.in)

**Corporate Office** :

5B, 5<sup>th</sup> Floor, Ram Krishna Chambers, B.P.C.Road, Vadodara-390005  
Tel. No. : 0265-2330019; Fax No. : 0265-2333884  
Website: [kumakaindustries.com](http://kumakaindustries.com)  
E-mail: [secretarial@kumakaindustries.com](mailto:secretarial@kumakaindustries.com)

# KUMAKA INDUSTRIES LIMITED

## NOTICE

Dear Member(s),

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of KUMAKA INDUSTRIES LIMITED will be held on Monday, 18th September, 2017 at 10:00 AM at The Electric Merchants Association, Room No. 7 & 12, 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai - 400002 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Financial Statement consisting of Balance Sheet as at March 31, 2017, the statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2017 along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj M Kadakia (DIN-00166339), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

3. Appointment of Statutory Auditor to fill casual vacancy:

To appoint Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification, as Ordinary Resolution:

**"RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Prakash Muni & Associates., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. M.B.Majmudar & Co. Vadodara.

**"RESOLVED FURTHER THAT** M/s. Prakash Muni & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 05, 2017, until the conclusion of the 43rd Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

4. Appointment of Statutory Auditor:

To appoint Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification, as Ordinary Resolution:

**"RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Prakash Muni & Associates, Chartered Accountants, be and are hereby appointed as the Statutory Auditor of the Company, to hold the office from the conclusion of 43rd Annual General Meeting, for a single tenure of 5 (five) years, subject to the ratifications by the members at every Annual General Meeting of the said tenure, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds and things and to file necessary e - forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution."

For and on behalf of the Board of Directors

Date: 05th August, 2017

Place: Vadodara

Ankita Gupta  
Company Secretary

### NOTES :

#### 1. PROXY/AUTHORIZED REPRESENTATIVE

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the company, not less than forty-eight (48) hours before the commencement of the annual general meeting ("AGM"). Proxy Form is enclosed with the Notice.

Members are requested to note that a person can act as proxy on behalf of the members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, 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 proxy for any other person or member.

- (ii) A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 days of notice in writing is to be given to the Company.
- (iii) Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- (iv) Members desiring any information with regard to Accounts / Reports are requested to write to the Company Secretary at least ten days before the meeting to enable the Management to keep the information ready at the Meeting.
- (v) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

#### 2. BOOK CLOSURE

Register of Members and Share Transfer Books of the Company will remain closed from Monday, 11th September, 2017 to Monday, 18th September, 2017 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the AGM.

#### 3. CUT OFF DATE:

- (i) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Monday September 11th, 2017 (the "Cut off Date") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut off date.

#### 4. Communication to Members

- (i) The Notice of the AGM along with the Attendance Slip and Proxy Form, and a copy of annual report is being sent by electronic mode to all members holding shares as on 10th August, 2017, whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same and also to the auditors and directors of the Company. For members who have not registered their email addresses, physical copies of the abridged annual report along with aforesaid documents are being

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sent by the permitted mode.

- (ii) Copy of annual report and notice of AGM will also be available on the website of the Company at [www.kumakaindustries.com](http://www.kumakaindustries.com) and at the website of CDSL. Hard copies of the full annual report will be sent to those shareholders who will request the same.
- (iii) All the documents referred to in the accompanying notice, explanatory statement will be available for inspection at the registered office of the Company on all working days except Saturday and Sunday, between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
- (iv) In case you have any query relating to the enclosed annual accounts you are requested to send the same to the Company Secretary at the Corporate office of the Company or on email Id "secretarial@kumakaindustries.com", at least 10 days before the date of AGM so as to enable the management to keep the information ready.
- (v) In order to implement the Green Initiative of the Government, whereby Companies have now been allowed to send/ serve notice(s)/ document(s)/ Annual Report(s) etc. to their members through electronic mode, your Company hereby requests all its members to register their email ID with the Registrar and Transfer Agent (in case of Physical holding), if not yet provided, to promote Green Initiative.

### 5. VOTING BY MEMBERS

The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

- (i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("**Remote E-voting**") in the manner provided below during the e-voting period as mentioned below in Para 5(I)(A).
- (ii) At the venue of AGM, voting shall be done through ballot papers ("Ballot Paper") and the members attending AGM who have not cast their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
- (iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

#### (I) Voting through Electronic Means

In compliance with Section 108 of the Companies Act 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended vide Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through E-voting. Remote E-voting is optional and not mandatory. The Company has engaged the services of **Central Depository Services Limited (CDSL)** for the purpose of providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

#### (A) Instruction for e-voting by Members whose email ID's are registered with the Company/Depository Participant(s)

- (i) The voting period begins on 15th September, 2017 at 09:00 am and ends on 17th September, 2017 at 05:00 pm. During this period shareholders of the Company, as on the cut-off date (record date) of 11th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **Kumaka Industries Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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).
- (XX) Any person, who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and hold shares as of the Cut-off date i.e Monday September 11th, 2017, may obtain Log-Id and Password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning his/her folio no. However, if you are already registered with CDSL for e-voting than the person can use his/her existing user-id and password for casting votes. A person who is not a member as on the Cut-Off date should treat this notice fully for information purpose.
- 6. SCRUTINIZER**
- (i) M/s. Kotak And Associates Practicing Company Secretary having consented to act as a scrutinizer has been appointed as scrutinizer ("Scrutinizer") for scrutinizing the voting process (Poll Paper) as well as Remote E-voting) in a fair and transparent manner.
- (ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unlock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- 7. DECLARATION OF RESULTS**
- The Result of voting (Remote E-voting and the voting at the AGM) on the resolutions shall be declared within 2 days from the date of AGM by the Chairman or any person authorized by him for this purpose. The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.kumakaindustries.com](http://www.kumakaindustries.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com), immediately after the result is declared and simultaneously communicated to the Bombay Stock Exchange.
- 8. NOMINATION**
- Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 to the RTA.
- 9. EXPLANATORY STATEMENT AND ADDITIONAL INFORMATION**
- (i) The Statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed which does not have any special business to be transacted at the meeting.
- (ii) Additional information pursuant to the Statutory Auditors proposed to be appointed vide Item No. 2 of the Notice, is provided in the Explanatory statement forming part of this Notice. The Auditors have furnished the requisite consents / declarations / Eligibility for their appointment / re-appointment.
- 10. OTHER INFORMATION**
- Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

**By the Order of the Board,  
For Kumaka Industries Limited**

**Date: 05th August, 2017  
Place: Vadodara**

**Ankita Gupta  
Company Secretary**

**Registered Office:- 404 Sharda Chambers, 33, New Marine Lines, Churchgate Mumbai, Mumbai City MH 400020 IN  
Map/Location of Annual General Meeting Venue**



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

**Item Nos. 3 & 4:**

A letter from M/s. M.B.Majmudar & Co., Chartered Accountants, Statutory Auditor of the company was received intimating their inability to continue as the Statutory Auditor of the Company and conduct the Audit for the Financial Year 2017-18 due to certain occupations w.e.f. 04/08/2017.

Board of Directors at their meeting held on August 05, 2017, on the recommendation of Audit Committee decided to appoint M/s. Prakash Muni & Associates, Chartered Accountants, Mumbai having Firm Registration No.11792W to fill casual vacancy created due to resignation of M/s. M.B.Majmudar & Co., Chartered Accountants subject to approval of members at the 43rd Annual General Meeting.

In pursuance to the provisions of Section 139(8) of the Companies Act, 2013, the company needs to approve the appointment of M/s. Prakash Muni & Associates., Chartered Accountants, in the General Meeting of the Company within 3 (three) months from the date of appointment by the Board. Hence, the company has proposed their approval of the members in the item number 3 of the notice.

Further, the company has proposed their appointment in the item number 4 of the notice, for the period of 4 (four) years i.e. from the conclusion of this AGM till the conclusion of AGM to be held in for FY 2021-22 subject to the ratification by the members at every Annual General Meeting.

The board of directors has proposed the two resolutions for your approval.

None of the directors and key managerial personnel is interested in the resolutions.

**By the Order of the Board,  
For Kumaka Industries Limited**

**Date: 05th August, 2017  
Place: Vadodara**

**Ankita Gupta  
Company Secretary**

# KUMAKA INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Kumaka Industries Limited.

Your Directors are pleased to present the 43rd Annual report on the business and operations of the Company and the Audited financial accounts for the Year ended 31st March, 2017.

### 1. Highlights of performance :

Following figures summarize the financial performance of the Company for the year 2016-2017 Financial Results:

(Rs. in Lacs)

	31.03.2017	31.03.2016
Gross total Income	76.96	44.98
Profit / (Loss) before Finance Cost, Depreciation and Taxes	(31.32)	(52.30)
Less: Finance Cost	0.25	0.12
Less: Depreciation	13.94	14.13
Less: Tax	-	0.04
Less: Extraordinary/Exceptional Items	-	-
Profit / (Loss) after Tax	(45.51)	(66.59)
Net profit / (Loss) carried to Balance Sheet	(45.51)	(66.59)

### 2. DIVIDEND

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

### 3. APPROPRIATION OF RESERVES

The Company has not proposed to transfer any portion of profit to the General Reserve / Capital Redemption Reserve or any other reserve for this year in view of losses.

### 4. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 12.085 Crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

### 5. COMPANY'S PERFORMANCE / STATE OF COMPANY'S AFFAIRS

The Company earned Gross Total Income of Rs.76.96 Lacs for the year under review as against Rs.44.98 Lacs for the financial year 2015-16. After providing finance cost, depreciation and tax, Net Loss of the Company is Rs. 45.51 Lacs compared with Loss of Rs 66.59 of the previous year.

### Future Prospects:

Due to the current global slowdown and cheap imports from China the company had to shut down its pharmaceutical plant.

The company is now looking for new opportunities in the manufacturing sector.

### 6. Subsidiary Companies

The Company has no subsidiary company as on March 31, 2017. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

### 7. Directors' Responsibility Statement

- a) That in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the Loss of the Company for the year ended on that date;

- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual financial statements have been prepared on a going concern basis.
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 8. Deposits

The Company has no overdue, unpaid / unclaimed deposit. The Company does not have any deposit from Directors or any other Shareholder or Member as at 31st March, 2017.

### 9. Details of Directors or KMP who were appointed or have resigned during the year:

Mr. Soaib G Sheikh resigned from the post of Company Secretary w.e.f. 17/01/2017.

Dr. Indula panchal was appointed as Additional Director w.e.f 15/06/2016 and regularised at AGM held on 20/09/2016.

Mr. Shailesh Modi resigned as director w.e.f 21/05/2016.

### Events occurring after Balance Sheet Date - Change in Directors/KMP.

Mr. Bharat Parikh resigned from the post of Chief Financial Officer w.e.f. 30/05/2017 after office hours.

Mr. SHIV PATEL has been appointed as CHIEF FINANCIAL OFFICER of the Company W.e.f. 31/05/2017.

Ms. Ankita Gupta has been appointed as Company Secretary of the Company W.e.f 12/07/2017.

### 10. Board Meetings held during the year.

Six Meetings of Board of Director were held during the year 25-04-2016, 21-05-2016 & adjourned to and on 30/05/2016, 27-07-2016, 09-11-2016, and 13-02-2017. For details of meetings of the Board please refer to the Corporate Governance Report, which forms part of the Directors' Report.

### 11. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.



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In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### 12. Policy on Directors' Appointment and Remuneration and other details

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been stated in the Corporate Governance Report, which forms part of the Directors' Report.

### 13. Internal Financial Control Systems and their Adequacy

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

### 14. Human Resources

Company's industrial relations continued to be harmonious and cordial during the year under review.

### 15. Auditors

#### (1) Statutory Auditors:

"M/s. M.B.Majmudar has tendered their resignation w.e.f 04/08/2017 to discontinue as the Statutory Auditor of the Company for the financial year 2017-18 and further remaining terms of their period.

Hence, in order to fill up the casual vacancy the Company has appointed M/s. Prakash Muni & Associates (Chartered Accountant) in the Board Meeting held on August 05, 2017.

#### (2) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed Chirag Brahmhatt a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2017. The Secretarial Audit Report is annexed as **Annexure - 1**.

The Secretarial Audit Report for the financial year ended March 31, 2017 contains observations. Directors reply on the Auditors comment is as follow:

#### Explanation for observations:-

- For Point no. 1 to 3: As it is mentioned in the Observations 1 to 3, the Company has the Company has submitted petition No. CSP/190/2017 to the NCLT under Section 230 to 232 of Companies Act, 2013 The Company is awaiting order of NCLT
- For Point no. 4: Due to financial constraints Company had not released the advertisement in the newspaper. The Company will release the advertisement in future.

### 16. Management Discussion & Analysis

#### Pharmaceutical Project-

The company's pharmaceutical plant had to be shut down due to the global slowdown, cheap imports from china and unavailability of funds from the banks. Due to the company's past financial history the banks are not willing to fund the company. Hence the company could not avail any working capital or term loan for their projects. In view of this the company had to shut down its pharmaceutical plant and is currently looking for new opportunities in the manufacturing sector.

#### Opportunities, Threats, Risk and Concerns

Currently the Company has shut down its pharmaceutical plant and is looking for new business opportunities.

#### Segment wise performance

The Company's pharmaceutical plant has been shut down. There is no other segment

of Company's operation.

#### Financial Performance

A summary of the financial performance is disclosed in Director's Report.

#### Internal Control Systems and Adequacy

The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

#### 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.

### 17. Audit Committee & Nomination and Remuneration Committee:

The details pertaining to composition of audit committee & Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

### 18. Risk Management:

The Board of the Company has formed a Risk Management Committee to frame, committee is responsible for reviewing implement and monitor the risk management plan for the Company. The the risk management plan and ensuring its effectiveness.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

### 19. Particulars of Loans, Guarantees or Investments.

The Company has not provided any loans and not given any guarantees nor provided securities to any of the entities or made investments pursuant to Section 186 of the Companies Act, 2013:

### 20. Particulars of Contracts or Arrangements with Related Parties.

Particulars of contract or arrangement with related parties as referred in sec 188 (1) of Companies Act 2013 in prescribed form AOC-2 is appended as **Annexure - 2** to Board Report.

### 21. CSR Policy

The Company is aware of its responsibility for impact of its actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourage all its employees and other Participants to ensure a positive impact and its commitment towards corporate social responsibility. 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.

In terms of Section 135 of Companies Act, 2013, the Company has constituted Corporate Social Responsibility (CSR) Committee with Dr. Niranjana Pandya, Dr. Dhanjay Panchal, and Mr. Pankaj Kadakia.

The Company has not taken any initiative on CSR in current reporting period.

### 22. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace.

The Company has zero tolerance for sexual harassment at workplace and has adopted

## KUMAKA INDUSTRIES LIMITED

a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee headed by Women Director, known as the Prevention of Sexual Harassment (POSH) Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

### 23. Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Vigil Mechanism/Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### 24. Significant and Material Order passed by the Regulators or Courts:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

### 25. Particulars of Employees and Remuneration:

Pursuant to the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, no employee of the Company was paid remuneration exceeding the prescribed limits, during the Financial year 2016-17.

### 26. Extract of Annual Return as per Section 92 (3) of Companies Act 2013:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure -3".

### 27. A Statement on Declaration given by Independent Directors under Sub-Section (6) of Section 149:

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013

and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the independent directors have given declarations of independence in the first board meeting of the current financial year.

### 28. Material changes and commitments affecting financial position between the end of the financial year and Balance Sheet date:

There are no material changes and commitments, that would affect financial position of the company from the end of the financial year of the company to which the financial statements relate and the date of the directors report.

### 29. Energy Conservation, Technology, Absorption and Foreign Exchange Earnings and Outgo:

#### A) Conservation of Energy:

Your Company is serious in conserving energy by reducing consumption of power by implementing close monitoring over plan running and adequate maintenance of electric components of plants and other machinery. The Company has not made any capital investment. However, the Company has continued same actions.

#### B) Technology absorption:

Your Company has not taken new initiative towards technology for absorption and hence it neither imported any technology nor made any expenditure on research and development.

#### C) Foreign Exchange earnings and outgo:

There is no inflow or out flow of Foreign exchange during the year.

#### D) The change in nature of business:

There is no change in nature business of the company during the year under review.

### 30. Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from all the stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors,

Date: 05th August, 2017  
Place : Vadodara

Pankaj M. Kadakia  
Chairman & Managing Director  
(DIN-00166339)

# KUMAKA INDUSTRIES LIMITED

## Annexure -1 FORM No. MR-3

### Secretarial Audit Report (For the Financial year ended on 31st March, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Kumaka Industries Limited,  
404 Sharda Chambers, 33, New Marine Lines,  
Churchgate Mumbai Mumbai City MH 400020 IN

Dear Sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kumaka Industries Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;- Not Applicable to the Company during Audit period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;- Not Applicable to the Company during Audit period;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- Not Applicable to the Company during Audit period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable to the Company during Audit period;
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable to the Company during Audit period;
6. Further, as per the representation of Management letter, Considering its products, process and location, the following Acts are specifically applicable to the Company,
  - A. The Water (Prevention and control of pollution) Act, 1974.
  - B. The Air (Prevention and control of pollution) Act, 1981
  - C. The Environmental (Protection) Act, 1984

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and the Securities Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

1. The BSE Ltd. has suspended trading of shares due to non compliance of provisions of Section 100 of the Companies Act, 1956 pertaining to reduction of Share capital. In this matter, the Company has submitted petition No. CSP/190/2017 to the NCLT under Section 230 to 232 of Companies Act, 2013.
2. The Requirement of Regulation 31(2) of the SEBI (LODR) regulations, 2015 has not been complied with. The entire share holding of the promoters have been held in the physical form and not in demat form. The Company is awaiting order of NCLT for petition No. CSP/190/2017 submitted under section 230 to 232 of the Companies Act, 2013.
3. As Per the requirement of Regulation 38 of SEBI (LODR) Regulation, 2015, there is Non compliance of requirement of minimum public shareholdings. The Company is awaiting order of NCLT for petition No. CSP/190/2017 submitted under section 230 to 232 of the Companies Act, 2013.
4. As per requirement of Regulation 47(1) of the SEBI (LODR) Regulation 2015, the Company did not publish in two news papers notice of dates of meetings of Board of Directors where Financial Results are discussed and did not publish financial results in news papers.

#### **We further report that;**

The Board of Director of the Company is duly constituted with proper balance of executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**Chirag Brahmhatt**  
Practicing Company Secretary

Proprietor  
ACS No. 38076.  
C P No.: 14530

Place: Vadodara  
Date: 30/05/2017

This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

# KUMAKA INDUSTRIES LIMITED

## Annexure to Secretarial Audit Report

Date: 30th May, 2017

To,  
The Members,  
**Kumaka Industries Limited**  
404 Sharda Chambers, 33, New Marine Lines,  
Churchgate Mumbai Mumbai City MH 400020 IN

Our report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. I have followed the audit practices and the process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and the practices, we followed provide a reasonable basis for our opinion.
3. I do not verify the correctness and appropriateness of financial records and books of accounts of the Company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate governance and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Chirag Brahmhatt**  
Practicing Company Secretary

Proprietor  
ACS No. 38076.  
C P No.: 14530

Place: Vadodara  
Date: 30/05/2017

## Annexure- 2

**Disclosure of particular contracts/ arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

Details of contracts or arrangements or transactions.

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Further, the detail of the "Related Party Disclosures" as the Schedule V of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 is more specifically provided in notes to the Financial Statement.

Details of contracts or arrangements or transactions not at arm's length basis:-

Sr.No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of Contracts/Arrangements/Transactions	NIL
c)	Duration of Contracts/Arrangements/Transactions	NIL
d)	Salient terms of Contracts/Arrangements/Transactions	NIL
e)	Date of approval by Board	NIL
f)	Amount paid in advances, if any	NIL
g)	Justification for entering into such Contracts/Arrangements/Transactions	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

# KUMAKA INDUSTRIES LIMITED

## Annexure 3

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017 of

#### KUMAKA INDUSTRIES LIMITED

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

#### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L99999MH1973PLC016315
2	Registration Date	13/02/1973
3	Name of the Company	KUMAKA INDUSTRIES LIMITED
4	Category / Sub-Category of the Company	Pharmaceutical
5	Address of the Registered Office and contact details	404, Sharda Chambers, 33, Sir Vithaldas Thakersey Marg, New Marine lines, Mumbai-400020.
6	Whether listed company	Yes
7	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime Pvt. Ltd.

#### II. Principal Business Activities of the Company.

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Pharmaceuticals	21001	100

#### III. Particulars of Holding, Subsidiary and Associate Companies -

The Company has no subsidiary Company as on March 31, 2017. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Statement Showing Shareholding Pattern as on 31-03-2017								
			Table (I)(a)					
Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A + B)	As a percentage of (A + B + C)	Number of shares	As a percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group.</b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	05	1,05,82,150	0	87.56	87.56	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	05	1,05,82,150	0	87.56	87.56	0	0.00
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00

## KUMAKA INDUSTRIES LIMITED

	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	05	1,05,82,150	0	87.56	87.56	0	0
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	1	10,200	0	0.08	0.08	0	0
(b)	Financial Institutions / Banks	1	100	0	0.00	0.00	0	0
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	Sub-Total (B)(1)	2	10,300	0	0.09	0.09	0	0
<b>2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	26	67,150	0	0.56	0.56	0	0
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	9809	13,01,225	0	11.02	11.02	0	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	3	12,48,00	0	0.7703	0.7703	0	0
(c)	Any Other (specify)							
(c-i)	Clearing Members	0	0	0	0.00	0.00	0	0
(c-ii)	NRI	0	0	0	0.00	0.00	0	0
	Sub-Total (B)(2)	9838	14,93,175	0	12.35	12.35	0	0
<b>(B)</b>	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>9840</b>	<b>15,03,475</b>	<b>0</b>	<b>12.44</b>	<b>12.44</b>	<b>0</b>	<b>0</b>
	<b>TOTAL (A) + (B)</b>	<b>9845</b>	<b>1,20,85,625</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
1	Promoter and Promoter Group	0	0	0	0	0.00	0	0.00
2	Public	0	0	0	0	0.00	0	0.00
	Sub-Total (C)	0	0	0	0	0	0	0.00
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>9845</b>	<b>1,20,85,625</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Pankaj M. Kadakia	28, 29,450	23.41	0	28, 29,450	23.41	0	0
2	Shri S. P Kadakia	29, 23,250	24.19	0	29, 23,250	24.19	0	0
3	Smt M. P Kadakia	39, 07,850	32.33	0	39, 07,850	32.33	0	0
4	N. P Kadakia	911600	7.54	0	911600	7.54	0	0
5	Niraj V Desai	10000	0.08	0	10000	0.08	0	0

## KUMAKA INDUSTRIES LIMITED

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10582150	87.56	10582150	87.56
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	<b>1,05,82,150</b>	<b>87.56</b>	<b>1,05,82,150</b>	<b>87.56</b>

**(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	Shrish Patel				
	Pushpa Sirish Patel	37800	0.31	37800	0.31
02	At the beginning of the year	37800	0.31	37800	0.31
	At the End of the year	37800	0.31	37800	0.31
02	Praj Industries Ltd	36800	0.30	36800	0.30
	At the beginning of the year	36800	0.30	36800	0.30
03	At the End of the year	36800	0.30	36800	0.30
	Dipak Haribhai Gaudani	31500	0.26	31500	0.26
04	At the beginning of the year	31500	0.26	31500	0.26
	At the End of the year	31500	0.26	31500	0.26
04	Rasilaben deepakbhai gaudani	23800	0.20	23800	0.20
	Deepak haribhai gaudani	23800	0.20	23800	0.20
05	At the beginning of the year	23800	0.20	23800	0.20
	At the End of the year	23800	0.20	23800	0.20
05	Ramesh maheshwari	10850	0.09	10850	0.09
	A Venkat Raman	10850	0.09	10850	0.09
06	At the beginning of the year	10850	0.09	10850	0.09
	At the End of the year	10850	0.09	10850	0.09
06	Kirit Bhagwandas Shah	10750	0.09	10750	0.09
	Saroj Kirit Shah	10750	0.09	10750	0.09
07	At the beginning of the year	10750	0.09	10750	0.09
	At the End of the year	10750	0.09	10750	0.09
07	Bank of India A/C BOI Mutual Fund	10200	0.08	10200	0.08
	At the beginning of the year	10200	0.08	10200	0.08
08	At the End of the year	10200	0.08	10200	0.08
	Manjulaben R Kothari	10100	0.08	10100	0.08
09	At the beginning of the year	10100	0.08	10100	0.08
	At the End of the year	10100	0.08	10100	0.08
09	Veena K Dadbhawala	9800	0.08	9800	0.08
	Kishor C Dadbhawala	9800	0.08	9800	0.08
10	At the beginning of the year	9800	0.08	9800	0.08
	At the End of the year	9800	0.08	9800	0.08

## KUMAKA INDUSTRIES LIMITED

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	Shri Pankaj M. Kadakia				
	At the beginning of the year	28,29,450	23.41	28,29,450	23.41
	At the end of the year	28,29,450	23.41	28,29,450	23.41
02	Dr. Indula Panchal				
	At the beginning of the year	800	0.0066	800	0.0066
	At the end of the year	800	0.0066	800	0.0066
03	Shri Niranjana Pandya				
	At the beginning of the year	100	0.0008	100	0.0008
	At the end of the year	100	0.0008	100	0.0008
04	Shri Dhananjay Panchal				
	At the beginning of the year	900	0.0066	900	0.0066
	At the end of the year	900	0.0066	900	0.0066

**V. Indebtedness: The Company has no debt as on 31st March, 2017.**

**VI. Remuneration of Directors and Key Managerial Personnel:**

**Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Mr. Pankaj Kadakia, the Chairman & Managing Director, were to receive remuneration of Rs. 1,00,000/-, the same was paid to him. Except this, the Company has not paid/given any (b) value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under, not allotted any Stock Option, Sweat Equity, Commission, others etc.

**A. Remuneration to other directors:**

**Directors are paid sitting fees for attending the Meeting of the Board/its Committee, in following manner:**

(i) Dr. Dhanjay Panchal	-	Rs. 8250/-
(ii) Dr. Niranjana Pandya	-	Rs. 8250/-
(iii) Dr. Indula Panchal	-	Rs. 4500/-

Total	-----	Rs. 21000/-
-------	-------	-------------

Except sitting fees, no other payments were made to aforesaid directors.

**C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD**

(i) Mr. Shiv Patel - CFO (From 31/05/17)	-	15000/-
(ii) Mr. Ankita Gupta-CS (From 12/07/17)	-	12000/-

**VII. Penalties / Punishment/ Compounding of Offences:**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2017.



# KUMAKA INDUSTRIES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy

Vibrant corporate governance practices constitute the strong foundation on which successful commercial entities are built on an enduring basis. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

### 1. Board of Directors

The Board of Directors as at 31st March, 2017 comprised of Four Directors with the Chairman & Managing Director and Three Independent Non-Executive Directors. The Composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act, 2013.

During the year, Six Board Meetings were held on 25-04-2016, 21-05-2016 and adjourned meeting on 30-05-2016, 27-07-2016, 09-11-2016, and 13-02-2017.

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:

None of the Directors on the Company's Board is holding office of the Director in more than 20 (Twenty) Companies including 10 (Ten) Public Companies. Independent Directors are also not holding office of Director in more than 7 (Seven) Listed Companies. Further, none of the Director is a Member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all the companies in which he acts as Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the directors.

Independent directors are non-executive directors. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have given declaration confirming that they meet the criteria as mentioned under SEBI (LODR) Regulation 2015 and Section 149(6) of the Act.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company.

The names and categories of the Directors, their attendance at Board Meetings and Annual General Meetings, No. of Directorship and committee positions held in other Companies are given below.

The familiarization program Board Of Directors and Independent Directors has been disclosed on the website of the Company - [www.kumakaindustries.com](http://www.kumakaindustries.com)

Inter se relation between Dr. Dhananjay Panchal and Dr. Indulaben Panchal Independent Directors of the Company is that of Husband Wife.

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2016-17	Atten-dance at the last A.G.M	No. of Directorship in other domestic Public Companies as a		No. of Committee Chairmanship / Membership in other Companies as a	
				Chairman	Member	Chairman	Member
Shri Pankaj Kadakia DIN 00166339	Chairman & Managing Director	6	Yes	-----	-----	-----	-----
Dr. Niranjana Pandya DIN 00385689	Non-Executive Independent	6	Yes	-----	-----	-----	-----
Dr. Dhananjay Panchal DIN 02988364	Non-Executive Independent	6	Yes	-----	-----	-----	-----
*Dr. Indula Panchal DIN 06457903	Non-Executive Independent	3	Yes	-----	-----	-----	-----
**Mr. Shailesh Modi	Non Executive Independent Director	0	No	-----	-----	-----	-----

\*Mr. Shailesh Modi resigned w.e.f. 21/05/2016

\*Dr. Indula Panchal was appointed w.e.f. 15/06/2016.

### Shareholding of Directors :

Names of Director	No. of Shares held	% to the Capital
Shri Pankaj M. Kadakia	28,29,450	23.41
Dr. Niranjana M Pandya	100	0.0008
Dr. Dhananjay Panchal	900	0.0066
Dr. Indula panchal	800	0.0066

### COMMITTEES OF THE BOARD:

### 1. Audit Committee:

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

Terms of reference:

- The terms of reference of the Audit & Risk Management Committee are aligned with the terms of reference provided under Section 177(4) of the Companies Act, 2013, Part C of Schedule II and Regulation 21 of the Listing Regulations.

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 as well as the integrity and quality of the financial reporting.

## KUMAKA INDUSTRIES LIMITED

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter

The Committee consisted of two Independent Directors and 1 Executive Director viz. Dr. Niranjana M. Pandya, Dr. Dhananjay I. Panchal and Mr. Pankaj Kadakia with Dr. Niranjana Pandya, as the Chairman. The Committee met on 25-04-2016, 21-05-2016, and adjourned on 30-05-2016, 27-07-2016, 09-11-2016 and 13-02-2017.

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

Name of Members	Status Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	6	6
Dr. Dhananjay Panchal	Member	6	6
Mr. Pankaj Kadakia	Member	4	4
Mr. Shailesh Modi	Member	2	0

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.

### 2. Nomination and Remunerations Committee:

The Committee consists of two Independent Directors viz. Dr. Dhananjay Panchal and Dr. Niranjana M. Pandya with Dr. Niranjana Pandya, as the Chairman and Mr. Pankaj M Kadakia as third member. One Meeting of Remuneration Committee was held on 30-05-2016 during the year under review.

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

Name of Members	Status Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	1	1
Dr. Dhananjay Panchal	Member	1	1
Mr. Pankaj Kadakia	Member	1	1

The Nomination & Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director 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 of Chairman & Managing Director is approved by the Board within the overall limit fixed under the law. No other Director is paid any remuneration.

**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.

**The broad terms of reference of the nomination and Remuneration Committee are as under:**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employee
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- v. The terms of reference of the NRC are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para A of Part D of Schedule II of the Listing Regulations.

### Remuneration Policy:

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 Board of Directors formed a Remuneration Committee to review and recommend the remuneration package of the Executive Director, based on performance and defined criteria, which consisted of Dr. Dhananjay Panchal, Dr. Niranjana Pandya and Mr. Pankaj Kadakia.

Dr. Dhananjay Panchal is the Chairman of the Committee.

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

Details of sitting fees paid to Non Executive Directors during the year 2015-2016 are as under.

## KUMAKA INDUSTRIES LIMITED

(iv)	Dr. Dhanjay Panchal	-	Rs.8250/-
(v)	Dr. Niranjan Pandya	-	Rs.8250/-
(vi)	Dr. Indula Panchal	-	Rs.4500/-

----- Total	----- Rs. 21000/-
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For the year ended 31st March, 2017, Mr. Pankaj Kadakia, the Chairman & Managing Director were to receive remuneration of Rs. 1,00,000/- per month. Non Executive Directors do not draw any remuneration. However, they were paid sitting fees @ Rs. 1,000/- per Board Meeting and Rs. 250/- per Committee Meeting, for all the meetings held before 13/02/2017 and Rs. 2500 and Rs. 500 respectively for meetings held on or from 13/02/2017.

### 3. Stakeholders' Relationship Committee

The Committee consisted of two Independent Directors viz Dr. Niranjan M. Pandya and, with Dr. Dhananjay Panchal, as the Chairman. Mr. Pankaj Kadakia became member of the committee with effect from 21/05/2016 and Mr Shailesh Modi resigned with effect from 21/05/2016.

One Meeting was held on 25-04-2016 which was attended by Dr. Dhananjay Panchal and Dr. Niranjan M. Pandya and leave of absence was granted to Mr Shailesh Modi.

The Committee, inter alia, oversees and reviews all matters connected with the shares of the Company and looks into shareholders complaints like 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 31.03.2017, there was only one (01) Investor Grievances remaining pending/unresolved which was withdrawn as on the date of approval of the report and no complaint is pending.

### 4. Independent Director Meeting

One meeting of Independent Director was held on 30/05/2017 with all three Independent Director present at the meeting.

Independent Directors at their meeting discussed following matters in relation to FY-2016-17:-

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company;
- Evaluation of the quality, quantity, content and timelines of flow of information between management and the Board, for the Board to effectively and reasonably perform its duties.

All three independent directors were present at the meeting.

### 5. General Body Meetings

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

Date	Time	Place	Special Resolution
20-09-2016	3.00PM	The Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12, K. Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400 001.	(i) To approve related party transaction between M/s. Kumaka Industries Limited And M/s. Pinnacle Therapeutics Private Limited.
22-09-2015	2:30 p.m.	The Maharashtra Chambers of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K Dubhas Marg, Near Kala Ghoda, Fort, Mumbai-400001.	NO Special Resolution
30-09-2014	3.00 p.m.	2nd Floor, Kilachand Conference Room, Indian Merchant Chamber, Churchgate, Mumbai -400 020	(i) Increase in Borrowing limits of the Company (ii) Creation of Charges on the assets of the Company. (iii) Make any loans or investments and to give guarantee or to provide security. (iv) Alteration of Articles of Association.

### B. During the year Company has passed following Resolutions through postal ballot on 29-09-2016:-

- **To consider adoption of new set of Memorandum of Association of the Company.**
- **To consider adoption of new set of Articles of Association of the Company.**
- **To approve, ratify & confirm the action taken by the Board of Directors of the Company for sale, transfer and disposal of its investment in shares of its wholly owned subsidiary.**
- **To consider appointment of Pankaj Kadakia as the Managing Director of the Company and payment of remuneration to him.**
- **To consider authority to Board as per Section 180 of Companies Act-2013, for sale of any whole or substantially the whole of the undertaking of the Company.**

### 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.

### 5.1 Compliance of Mandatory Requirements:

The Company has complied with the mandatory requirements as stipulated in SEBI (LODR) Regulation, 2015.

### 5.2 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

## KUMAKA INDUSTRIES LIMITED

non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

### 5.3 Code of Conduct:

The Board of Directors of the Company has adopted Code of Conduct for all Board Members of the Company and Senior Management. 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.

### 6. 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 constraints 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.

### 7. General Shareholder Information :

#### (a) 43rd Annual General Meeting

Date and Time : 18th September, 2017 at 10.00 A.M.  
Venue : The Electric Merchants Association  
Room No. 7& 12, 2nd Floor, Shreeji Bhuvan, 51, Mangaldas Lane, Lohar Chawl, Mumbai -400 002

(b) Financial Year: : Year ended March 31, 2017

(c) Dates of Book Closure : From Monday, 11th September, 2017 to Monday, 18th September, 2017 (both days inclusive)

(d) Dividend payment Date : Not Applicable

(e) Listing on Stock Exchange : BSE Limited, Mumbai

(f) Company Code : 526923

(g) Market Price Data : Trading in Equity Shares has been suspended by the BSE Limited and therefore details of Market Price at BSE not presented in view no trading of shares taken place during the year Under review.

(h) Registrar & Transfer Agents : 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

#### (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 31st March, 2017

##### (i) The Distribution of Shareholding as on 31<sup>st</sup> March, 2011

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares Held	% of Total Shareholders
Up to 500	9,621	97.63	10,33,250	8.55
501 to 1000	136	1.38	1,04,875	0.87
1001 to 2000	46	0.47	66,675	0.55
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>9845</b>	<b>100.000</b>	<b>1,20,85,625</b>	<b>100.00</b>

##### (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2011 :

Category	No. of Shares held	% of shareholding
1. Directors & Relatives (Promoters)	1,05,82,150	87.56
2. Mutual Funds	10,200	0.08
3. Banks / Financial Institutions	200	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>

(l) Outstanding GDRs / ADRs Warranty : Not Applicable

(m) Plants Location : 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.

## KUMAKA INDUSTRIES LIMITED

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-executive Directors and Independent Directors. These Codes are available on the Company's Website.

I confirm that the Company has in respect of the year ended 31st March, 2017, received from the senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Date: 30-05-2017  
Place: Vadodara

For Kumaka Industries Limited  
Pankaj M Kadakia  
Chairman & Managing Director

### CERTIFICATION OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD PURSUANT TO REGULATION 17(8) OF THE SEBI (LODR) REGULATION, 2015.

We Hereby Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017, and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 30-05-2017

For KUMAKA INDUSTRIES LIMITED

Place: Vadodara

Pankaj M Kadakia

Bharat A Parikh

Chairman & Managing Director

CFO

### PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Board of Directors,  
Kumaka Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Kumaka Industries Ltd. (Hereinafter referred to as "the Company") for the year ended 31st March, 2017, as stipulated in clause E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanation given to us, I certify that the Company has complied with the condition of corporate governance as stipulated in the above mentioned Listing Regulations subject to following observations;

The BSE Ltd. has suspended trading of shares due to non compliance of provisions of section 100 of the Companies Act, 1956 pertaining to reduction of Share capital. In this matter, on the Company has submitted petition No. CSP/190/2017 to the NCLT under section 230 to 232 of Companies Act, 2013.

The Requirement of Regulation 31 (2) of the SEBI (LODR) regulations, 2015 has not been complied with. The entire share holding of the promoters have been held in the physical form and not in Demat form. The Company is awaiting order of NCLT for petition No. CSP/190/2017 submitted with NCLT under section 230 to 232 of the Companies Act, 2013.

As Per the requirement of Regulation 38 of SEBI (LODR) Regulation, 2015, there is Non compliance of requirement of minimum public shareholdings. The Company is awaiting order of NCLT for petition No. CSP/190/2017 submitted under section 230 to 232 of the Companies Act, 2013.

As per requirement of Regulation 47(1) of the SEBI (LODR) Regulation 2015, the Company did not publish in two news papers notice of dates of meetings of Board of Directors where Financial Results are discussed and did not publish financial results in news papers.

I 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.

Chirag Brahmhatt  
Practicing Company Secretary

Place: Vadodara

Proprietor

Date: 30/05/2017

ACS No. 38076.

C P No.: 14530

# KUMAKA INDUSTRIES LIMITED

## INDEPENDENT AUDITOR'S REPORT

TO:

THE MEMBERS OF

KUMAKA INDUSTRIES LIMITED,

MUMBAI.

We have audited the accompanying Financial Statements of KUMAKA INDUSTRIES LIMITED ("the company") which comprises the Balance Sheet as at 31st March 2017 and The Statement of Profit and Loss and Cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the Financial position, Financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal Financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these Financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal Financial control relevant to the Company's preparation of the Financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company

as at 31st March 2017, and its Loss and its cash flows for the year ended on that date.

### **Emphasis of Matters**

**NONE.**

### **Report on other Legal And Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statements dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company has disclosed the impact of pending litigations on its Financial position in its Financial statements - Refer Additional Note No. 01 to Note No. 14 on Financial Statements and in Para (vii)(b) of CARO, 2016;
    2. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR M. B. MAJMUDAR & CO.**

**CHARTERED ACCOUNTANTS**

**FIRM REGI. NO.: 105884W**

**(MANOJ B MAJMUDAR)**

**(PROPRIETOR)**

**MEMBERSHIP NO.: 014426**

**Place : VADODARA**

**Date : 30.05.2017**

### **Annexure referred to in the Audit Report (As Per Para 3 and 4 of the Companies Auditor's Report order 2016.)**

- (3)(i) (a) The Company maintains proper records showing full particulars including quantitative details and situation, of fixed assets.
- (b) These fixed assets are physically verified by the management from time to time. The material discrepancies do not seem to have been noticed by the management.
- (c) (i) From the Lease Deed dated 29th May 1982 with Gujarat

Industrial Development Corporation, it is observed that the said Lease Deed for land at GIDC, Ankleshwar is in the name of former Company viz. M/s Ashok Organic Industries Ltd. (known as Kumaka Industries Ltd.) however, the name is not changed as Kumaka Industries Ltd. till date. We are informed by the management that the change of name with GIDC is under process.

## KUMAKA INDUSTRIES LIMITED

- (ii) For office at Ahmedabad, copy of Share Certificate is in the name of M/s Ashok Organic Industries Ltd. (known as Kumaka Industries Ltd.). The Office Premises was sold during the year under report.
- (iii) Stock of Raw Materials and Finished Goods, are physically verified by the management from time to time and material discrepancies do not seem to have been noticed.
- (iv) The Company had granted unsecured loan to a former subsidiary company viz. Kadakia Alkalies and Chemicals Ltd. Rs. 5976.15 Lakhs during past years against which Rs. 976.15 Lakhs are outstanding as at 31st March 2017 and had given advance to a related firm Rs. 624.48 Lakhs, also during the past years, which is outstanding as at 31st March 2017, covered in the register maintained u/s189 of the Companies Act, 2013.
- (a) As per the explanation given by the company, because of the stringent financial condition of the said former subsidiary company and the firm respectively, Company has neither charged nor received interest on the above unsecured loan and advance and has also not recovered the principal amount during the year. In our opinion, the terms and conditions of grant of such loan and advance seems to be prejudicial to the interest of the Company, however the scope of recovery of principal amount and interest thereon seem remote in case of the above entities.
- (b) There is neither recovery of principal amount nor interest during the year, due to reason as stated in (a) above.
- (c) No steps for recovery of principal amount and interest have been taken by the Company during the year due to reason as stated in (a) above.
- (v) During the Financial year ended 31st March 2017, there are no Loans given or no investments are made or no guarantees are given as referred in Sections 185 and 186 of the Companies Act, 2013. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
- (vi) In our Opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and provisions of section 73 to 76 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) Maintenance of cost records has not been prescribed by the Central Government under section 148 of the Act and hence this clause is not applicable.
- (viii) (a) No. According to the records of the company, no delayed undisputed statutory dues outstanding for more than 6 months as at 31st March 2017 were observed during the year under Report.

(b)The disputed statutory dues observed are as under (under litigation):-

Particulars	Period to which the amount relates	Amount(Rs.)	Forum where the dispute is pending
Income Tax	A.Y.1995-96	36,97,936/-	Mumbai High Court Maharashtra
Income Tax	A.Y.1996-97	30,35,118/-	CIT (Appeal), Mumbai
Income Tax	A.Y.2012-13	30,51,500/-	Dy. Commissioner of Income Tax, Mumbai
Excise Matters*	1996-97	90,00,000/-	CESTAT(Tribunal), Ahmedabad
Income Tax**	A.Y. 2014-15	44,51,160/-	CIT (Appeals), Mumbai

Notes:

\* Against the Statutory due of Rs. 9000000/- towards Excise Duty, Rs. 675151/- have been paid in earlier years.

\*\* Against Income Tax Liability of Rs. 4451160/- for the Asst. Year 2014-15,

Rs. 250000/- have been paid during the current financial year.

- (ix) The instances of default in repayment of dues to Financial Institutions or Banks or debenture holders have not been observed.
- (x) Instances of money raised by way of Public issue/Follow-on offer, Term Loans raised during the year were not observed and hence this clause is not applicable.
- (xii) To the best of our knowledge and according to the information and explanations given to us no fraud by the Company and no fraud on the company by its officers/employees has been noticed or reported during the year.
- (xiii) The Company has incurred Loss of Rs. 4551855/- during the year. Managerial remuneration has been paid/provided Rs. 1200000/- during the year (Excluding Directors' Sitting Fees and other expenses) as per Section 197 read with Section III of Schedule-V of the Companies Act, 2013.
- (xiv) The Company is not a Nidhi Company and hence this clause is not applicable.
- (xv) Instances of transactions with the related parties as referred in sections 188 and 177 of the Companies Act, 2013, are as disclosed in Note No. 11(c) and 11(d) to the Balance Sheet as at 31st March 2017.
- (xvi) The Company has neither made any preferential allotment nor private placement of shares or fully or partly convertible debentures during the year and hence this clause is not applicable.
- (xvii) Instances of any non-cash transactions entered into by the Company with its directors have not been observed during the year. However, there were amounts received as Advance from two persons connected with the Directors, against Sale of Plot of Land total amounting to Rs. 2623750/-, which have been written back to Profit and loss Account as the said transaction did not materialise.
- (xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

#### 4. Reasons for unfavorable /qualified answers:-

No unfavorable/qualified matter was observed during the year.

FOR M. B. MAJMUDAR & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGI. NO.: 105884W

PLACE : VADODARA

DATE : 30.05.2017

(MANOJ B MAJMUDAR)  
(PROPRIETOR)  
MEMBERSHIP NO.: 014426

# KUMAKA INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	Note No.	31.03.2017	31.03.2016
<b>* (A) EQUITY AND LIABILITIES:</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	3	120856250	120856250
b) Reserve & Surplus	4	92699104	97250958
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		<b>N I L</b>	<b>N I L</b>
<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	5	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	6	0	14989337
(b) Trade payables	7	290207	1766583
(c) Other current liabilities	8	37496622	21898965
(d) Short-term provisions		N I L	N I L
<b>TOTAL Rs.</b>		<b>251342183</b>	<b>256762093</b>
<b>* (B) ASSETS :</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Fixed assets (Net Block)			
(i) Tangible assets	9	23208046	24936003
(ii) Intangible assets		N I L	N I L
(iii) Capital work-in-progress		N I L	N I L
(b) Non-current investments	10	48848400	39197400
(c) Deferred tax assets (net)		N I L	<b>N I L</b>
(d) Long-term loans and advances	11	174520343	188969874
(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	12	102346	199426
(c) Trade receivables	13	2530447	2564282
(d) Cash and cash equivalents	14	1673564	465698
(e) Short-term loans and advances	15	459037	429410
(f) Other current assets		N I L	N I L
<b>TOTAL Rs.</b>		<b>251342183</b>	<b>256762093</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>		<b>1 and 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.

\* Contingent Liabilities and Contingent Assets are as per Additional Notes on the Financial Statements.

**For M.B.MAJMUDAR & CO.**  
Chartered Accountants  
Firm Registration No: 105884W

(MANOJ B. MAJMUDAR)  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 30.05-2017

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

Mr. Pankaj M. Kadakia  
(Managing Director)

Mr. (Dr.) Niranjan M. Pandya  
(Director)

Mr. Bharat A. Parikh  
(Chief Financial Officer)

(Company Secretary)  
PLACE : VADODARA  
DATE : 30.05-2017



## KUMAKA INDUSTRIES LIMITED

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

PARTICULARS	Note No.	31.03.2017	31.03.2016
<b>* INCOME :</b>			
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from Operations (Gross)	16	64250	2154895
Less : Excise Duty		0	189478
Revenue from Operations (Net)		64250	1965417
<b>II. OTHER INCOME</b>			
	17	7632163	2532572
<b>III. TOTAL REVENUE (I+II)</b>			
	<b>Rs.</b>	<b>7696413</b>	<b>4497989</b>
<b>* EXPENSES :</b>			
(a) Cost of materials consumed	18	(0)	3179333
(b) Purchases of stock-in-trade		NIL	NIL
(c) Changes in Inventories	19	97080	178491
(d) Employee benefits expense	20	1421672	1568535
(e) Finance costs	21	25380	12394
(f) Depreciation and amortisation expense	9	1394137	1412901
(g) Other expenses:			
- Administration, Selling & Other Expenses	22	9229923	4801493
- Loss on Sale of Fixed Assets/ Machinery	23	80076	0
<b>IV. TOTAL EXPENSES</b>			
	<b>Rs.</b>	<b>12248268</b>	<b>11153147</b>
<b>V. PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>			
		<b>(4551855)</b>	<b>(6655157)</b>
<b>VI. EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS</b>			
		<b>NIL</b>	<b>NIL</b>
<b>VII. PROFIT BEFORE TAX</b>			
		<b>(4551855)</b>	<b>(6655157)</b>
<b>VIII. TAX EXPENSE:</b>			
(a) Current Tax		NIL	NIL
(b) Tax Expense - Prior Period		NIL	4370
		NIL	NIL
<b>IX. NET PROFIT (LOSS) AFTER TAX FOR THE PERIOD</b>			
		<b>(4551855)</b>	<b>(6659527)</b>
<b>X. EARNING PER SHARE (Equity Share of Face Value of Rs.10/- each)</b>			
Basic & Diluted Earning Per Equity Share (in Rs.)		<b>(0.38)</b>	<b>(0.55)</b>
<b>* SIGNIFICANT ACCOUNTING POLICIES</b>			
	<b>1 and 2</b>		

\* 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.

For M.B.MAJMUDAR & CO.  
Chartered Accountants  
Firm Registration No: 105884W

(MANOJ B. MAJMUDAR)  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 30.05-2017

For and on Behalf of the Board,

Mr. Pankaj M. Kadakia  
(Managing Director)

Mr. (Dr.) Niranjan M. Pandya  
(Director)

Mr. Bharat A. Parikh  
(Chief Financial Officer)

(Company Secretary)  
PLACE : VADODARA  
DATE : 30.05-2017

# KUMAKA INDUSTRIES LIMITED

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017	31.03.2016
<b>• NOTE NO.3</b>		
<b>• SHARE CAPITAL :</b>		
(i) <b>Authorised Share Capital :</b>	150,000,000	150,000,000
[1,50,00,000 Equity Share @ Rs.10/- each. ]		
(ii) <b>Issued, Subscribed &amp; Paid-up Capital :</b>	120856250	120856250
[120,85,625 Equity Share @ Rs.10/- each fully paid-up. ]		
<b>Total Rs.</b>	<b>120856250</b>	<b>120856250</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 preceding 5 years i.e. 1.04.2011 to 31.03.2016.** NIL NIL

**3.2 Reconciliation of number of shares and amount outstanding at the beginning and end of the year:**  
Equity shares of Rs.10/- each with voting rights fully paid-up:

	31.03.2017		31.03.2016	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity shares outstanding at the beginning of the year	12085625	120856250	12085625	120856250
Fresh Issue/ESOP/ Bonus Issue of Shares	NIL	NIL	NIL	NIL
Redemption/ Buy Back of Shares	NIL	NIL	NIL	NIL
Equity shares outstanding at the end of the year	12085625	120856250	12085625	120856250

**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.**

**3.4 Details of Shareholders holding more than 5% Equity shares in the Company:**

Name of the Shareholder	31.03.2017		31.03.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Mr. Pankaj Manilal Kadakia Director	2829450	23.41%	2829450	23.41%
2. Mrs.Madhavi Pankaj Kadakia	3907850	32.33%	3907850	32.33%
3. Mr.Shyam Pankaj Kadakia	2923250	24.19%	2923250	24.19%
4. Ms.Niyati Pankaj Kadakia	911600	7.54%	911600	7.54%

**3.5 At Present trading in the Shares of the Company is Suspended by the Bombay Stock Exchange.**

	31.03.2017	31.03.2016
<b>* NOTENO.4</b>		
<b>* RESERVES AND SURPLUS:</b>		
a) <b>Revaluation Reserve:</b>		
Opening balance	11217334	11217334
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance	(a) 11217334	11217334
b) <b>General Reserve * :</b>		
Opening balance	40178015	40178015
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	0
Closing balance	(b) 40178015	40178015
c) <b>Share Premium Account:</b>		
Opening balance	292203750	292203750
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance	(c) 292203750	292203750
<b>* d) Capital Reserve</b>		
Opening balance	(185410350)	(185410350)
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
(Please refer to Note No. 2.9 of Significant Accounting Policies)	(d) (185410350)	(185410350)
e) <b>Surplus (Deficit) in Profit and Loss Statement:</b>		
Opening balance	(60937791)	(54278264)
Add: Profit / (Loss) for the year	(4551855)	(6659527)
Amount transferred from General Reserve	NIL	NIL
	(65489645)	(60937791)
Less :		
Utilised / transferred during the year	NIL	NIL
Closing balance of Profit and Loss Statement	(e) (65489645)	(60937791)
<b>Total (a) + (b) + (c) + (d) + (e) Rs.</b>	<b>92699104</b>	<b>97250958</b>

\*The Previous year's figures have been regrouped / rearranged wherever found necessary.

\*Note: The Profit on Sale of Office Premises Rs. 1072266/- (Previous year Rs. NIL) and Loss on Sale of Machinery Rs. 80076/- (Previous year Rs. NIL) have been recorded in the Profit and Loss Account as Income/ Expenses.

## KUMAKA INDUSTRIES LIMITED

31.03.2017

31.03.2016

*	*	<b>NOTE NO.5:</b>		
		OTHER LONG TERM LIABILITIES :		
		(a) Advance From Parties		
		Other Advances	NIL	NIL
		<b>Total Rs.</b>	<u>NIL</u>	<u>NIL</u>
*	*	<b>NOTE NO.6:</b>		
		SHORT TERM BORROWINGS:		
		(a) Loans repayable on Demand:	NIL	NIL
		(b) Loans and Advances from Related Parties:		
		Loans from Directors :-		
		Smt Madhavi Pankaj Kadakia	NIL	1594000
		Shri Pankaj Manilal Kadakia	NIL	8777252
		(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
		(c) Deposits:		
		Trade Deposits	NIL	NIL
		(d) Other Loans and Advances:		
		- Advance Received from Customers	NIL	NIL
		- Bharat Parikh (Advance received against sale of Plot of Land)	NIL	1276673
		- Pankaj M.Kadakia HUF (Advance received against sale of Plot of Land)	NIL	2275412
		- V N Joshi (Advance received against sale of Plot of Land)	NIL	1066000
		<b>Total Rs.</b>	<u>0</u>	<u>14989337</u>
*	*	<b>NOTE NO.7:</b>		
		TRADE PAYABLES:		
		<u>Sundry Creditors for Goods</u>		
		Micro Small and Medium Enterprises (MSME)	NIL	NIL
		Parties other than MSME Units	NIL	NIL
		(Other than Long Term Trade Payables)		
		<u>Sundry Creditors for Operating Exp/Services</u>		
		(Other than Long Term Trade Payables)		
		- Creditors Below Rs.1,00,000/-	106457	458451
		- Gujarat Intelligence Security India	NIL	170595
		- M.B.Majmudar and Co.	183750	371725
		- Jay Consultancy Services	NIL	124875
		- J. Sagar Associates	NIL	220581
		- Link Intime India P. Ltd.	NIL	120356
		- Industrial Trading Co.	NIL	300000
		<b>Total Rs.</b>	<u>290207</u>	<u>1766583</u>
<p>The balances are subject to confirmation from the parties. However, Some of Credit Balances were writtenback during the Year.  The Balance Confirmation Certificates at the Year end were not Obtained by the Company from all the Creditors.  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 of the suppliers, being Small Scale Industrial Undertaking, the information called for by the company has been received and as such liability for amount owed in excess of Rs. 100000/= for such suppliers has been given.</p>				
*	*	<b>NOTE NO.8:</b>		
		OTHER CURRENT LIABILITIES:		
		(a) Current maturities of long-term debt:	NIL	NIL
		(b) Loans and Advances from Related Parties:	NIL	NIL
		(c) Othre Current Liabilities:		
		<b>(1) Employee's Remuneration and Benefits Payable</b>		
		Salaries / Wages Payable to other staff	NIL	NIL
		Managing Director's Salary payable	NIL	1155833
		<b>(2) Statutory Liabilities</b>		
		VAT payable	NIL	33943
		Sales Tax Payable F.Y. 2010-11	NIL	163746
		CST Payable F.Y. 2010-11	NIL	192800
		TDS PAYABLE	27102	65117
		Amount payable as per GBIFR Scheme	NIL	19034245
		CST Payable	NIL	20281
		<b>Total Rs.</b>	<u>27102</u>	<u>19510132</u>
		<b>(3) Other Liabilities</b>		
		Car rent payable	0	270000
		Mumbai office rent payable	0	378000

## KUMAKA INDUSTRIES LIMITED

	31.03.2017	31.03.2016
Vadodara office rent payable	0	585000
Advances Received against Sale of Land at Ankleshwar - Trimurti Enterprise	37469520	37469520
(Please refer to Note No. 2.24(4) of Significant Accounting Policies)		NIL
<b>Total Rs.</b>	<b>37496622</b>	<b>21898965</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 Writtenoff and Writtenback Outstanding Balances in Unsecured Loans, Other Liabilities.

The Balance Confirmation Certificates at the Year end were not Obtained by the Company in from all the Creditors.

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.

**\* NON-CURRENT ASSETS:**

**\* FIXED ASSETS:**

**\* NOTE NO.9:**

**\* TANGIBLE ASSETS:**

PARTICULARS OF ASSET	Rate of Depn. on SLM basis	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.05.2016	ADDI-TIONS	DISPOSAL/ ADJUSTMENT	As at 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	Depn. W. Back	UPTO 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land	0.00%	9043055	NIL	NIL	9043055	NIL	NIL	NIL	NIL	9043055	9043055
Factory Building	3.34%	35080672	NIL	NIL	35080672	22631217	1171694	NIL	23802911	11277761	12449455
Office Premises at Ahmedabad	1.63%	75000	NIL	75000	0	47266	NIL	47266	NIL	NIL	27735
Plant & Machinery	4.75%	3262697		383271	2879426	356351	136773	53195	439929	2439497	2906346
Motor Car	9.50%	320346	NIL	NIL	320346	104676	30433	NIL	135109	185237	215670
Computer	15.84%	27800	NIL	NIL	27800	14803	4402	NIL	19205	8595	12997
Furniture Fixtures	13.91%	365458	NIL	NIL	365458	84712	50835	NIL	135547	229911	280746
Air Conditioner	13.91%	NIL	23990	NIL	23990	0	NIL	NIL	NIL	23990	NIL
<b>TTotal Rs.</b>		<b>48175028</b>	<b>23990</b>	<b>458271</b>	<b>47716757</b>	<b>23239025</b>	<b>1394137</b>	<b>100461</b>	<b>24532701</b>	<b>23208046</b>	<b>24936003</b>
Previous Year		48161043	13985	0	48175028	21826124	1412901	0	23239025	24936003	26334919

**Notes:**

\* 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.

\* Depreciation has not been provided on Office Premises at Ahmedabad Rs. 1012/- and on one Machinery Rs. 4489/- sold during the year, and on Air Conditioner purchased on 31-03-2017 as the said asset was put to use on last day of the year.

**\* NOTE NO.10:**

**\* NON-CURRENT INVESTMENTS:**

(A) Trade Investments:

(a) Investment Properties

NIL

NIL

(b) Investment in Equity instruments:

(i) Investment in former Subsidiary Company:

16,55,000 fully paid Equity shares of Rs.10/- each of Kadakia Alkalies & Chemicals Ltd.

39197400

39197400

Less :Provision for Diminution in Value of Investment

NIL

NIL

Value of Investments

39197400

39197400

39197400

(c) Other non-current investments:

NIL

NIL

**Total (A)**

**39197400**

**39197400**

(Against which no Provision for diminution in value is made as on date)

(a) Investment in Equity instruments:

(i) Investment in Other Companies:(Good)

NIL

NIL

(b) Investment in Mutual Fund Units: (Good)

Investment in Units of IDFC Mutual Fund

30868.00

Less: redeemed During the year 2015-16

NIL

30868.00

NIL

(c)Other non-current investments: (Good)

- Fixed Deposits with Banks

1. Dena Bank , Sayajigunj Branch, Vadodara

8651000

2. Shree Bhailalbhai Contractor Smarak CoOp. Bank LTD., Vadodara

1000000

9651000

NIL

**Total (B)**

**9651000**

**NIL**

**Grand Total (A + B)**

**48848400**

**39197400**

Less : Provision for diminution in the value of Investments

NIL

NIL

**Total Rs.**

**48848400**

**39197400**

## KUMAKA INDUSTRIES LIMITED

	31.03.2017	31.03.2016
<b>* Other Disclosures relating to Investments:</b>		
1. Aggregate amount of quoted investments	NIL	NIL
2. Aggregate amount of unquoted investments	48848400	39197400
<b>* NOTE NO.11:</b>		
<b>* LONG TERM LOANS AND ADVANCES:</b>		
a. Capital Advances	NIL	NIL
b. Security Deposits:		
- Deposit of former Subsidiary Company Kadakia Alkalies and Chemical Limited with GEB (DGVCL)	10311032	10311032
(This amount is continued as outstanding as the matter is under litigation at Hon'ble High Court of Gujarat at present.)		
- Deposit with GEB (DGVCL), GIDC Ankleshwar	3693196	3693196
- Deposit With DGVCL	209024	209024
c. Loans and advances to related parties:		
<b>- Interest - free Loan/Advance (Doubtful of Recovery)</b>		
- To Former Subsidiary Company Kadakia Alkalies and Chemicals Ltd.	97614973	97614973
- USM Enterprise, Mumbai	62448278	62448278
(Please refer to the Note no. 2.19 (1) AND (2) of Significant Accounting Policies)		
d. Other loans and advances (specify nature)		
Advances recoverable in Cash/Kind		
- Ashok V. Panchal *	243840	243840
(Please refer to the Note no. 2.19 (3) of Significant Accounting Policies)		
- Expenses for Sanand Project :-	NIL	14449531
(the Project at Sanand has been transferred to a Private Limited Company during the year.		
	174520343	188969874
Less: Provision for doubtful loans and advances	0	0
<b>Total Amount Rs.</b>	<b>174520343</b>	<b>188969874</b>
<b>Other Disclosures relating to Long Term Loans and Advances:</b>		
<b>Loans granted to:</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Directors	NIL	NIL
Other officers of the Company	NIL	NIL
Company which was a former subsidiary of the Company	0	97614973
Firm in which relatives of a director are partners	62448278	62448278
Private Company in which director is a member	NIL	NIL
<b>TOTAL Rs.</b>	<b>62448278</b>	<b>160063251</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 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 Writtenoff and Writtenback Outstanding Balances in Sundry Debtors, Sundry creditors/Advances and other liabilities and assets accounts. The Balance Confirmation Certificates at the Year end were not obtained by the Company from the creditors, and Debtors for advances given.		
Please Refer Notes on Accounting Policies wherein as per requirements of AS-18 for Related Parties ,transactions are mentioned in details wide Point No.2.23.		
<b>* NOTE NO.12:</b>		
<b>* INVENTORIES:</b>		
a. Raw Materials and components		
In Stock -	102346	102346
b. Work-in-progress	NIL	NIL
c. Finished goods	0	97080
d. Stores, Spares, Fuel & Packing Mats.	NIL	NIL
<b>Total Rs.</b>	<b>102346</b>	<b>199426</b>
<b>* NOTE NO.13:</b>		
<b>TRADE RECEIVABLES</b>		
PANOLI INTERMEDIATE (I) PVT. LTD.	2530447	2530447
MASCOT HEALTH SERVICES PVT. LTD.	0	29835
THEELECTRIC MERCHANT ASSOCIATION	0	4000
<b>Total Rs.</b>	<b>2530447</b>	<b>2564282</b>
<b>* NOTE NO.14:</b>		
<b>* CASH AND CASH EQUIVALENTS:</b>		
<b>A. BALANCE WITH BANKS:</b>		
Balance in Current Account with Banks:		
- Dena Bank, Sayajigunj Branch	1625959	NIL
- Indian Bank	1165	1165
- Shree Bhailalbai Contractor Smarak Co-op Bank Ltd.	42776	26646
- Kalupur Bank	NIL	1945
- The Ankleshwar Udyog Nagar Co-op. Bank Ltd.	977	977
B. CHEQUES, DRAFTS ON HAND:	NIL	NIL
C. CASH BALANCE ON HAND:	2687	434966
<b>Total Rs.</b>	<b>1673564</b>	<b>465698</b>

## KUMAKA INDUSTRIES LIMITED

31.03.2017

31.03.2016

The Company has obtained closing Bank Balance Certificates of all the Banks at the year end i.e. as of 31-03-2017.

\* **NOTE NO.15:**

\* **SHORT TERM LOANS AND ADVANCES :**

Other Loans and Advances

Advance to Anand Majmudar (for Professional Fees)

100000

NIL

Advance Income tax (TDS)

NIL

22405

Income Tax paid (Asst. Year 2014-15) \*

250000

0

TDS (Asst. year 2017-18)

76192

NIL

Interest receivable on Bank Fixed Deposits

32845

NIL

CVD Credit Receivable

NIL

243092

MODVAT On Excise Duty/ Service Tax PAID

NIL

353391

Less : Excise Duty Payable during the year

NIL

NIL

189478

459037

163913

429410

**Additional Notes Forming Part of Balance-Sheet And Profit & Loss Account.**

**01. In Respect of Contingent Liabilities and Contingent Assets**

**(A) Contingent Liabilities**

Particulars	31.03.17	31.03.16
Income Tax A.Y.1995-96	3697936	3697936
Income Tax A.Y.1996-97	3035118	3035118
Income Tax A.Y.2012-13*	3051500	3051500
Excise Duty **	9000000	9000000
Claim by Employee***	2730486	2825905
GEB (DGVCL)****	NIL	NIL
Gratuity to Workers/ Employees *****	204229	313404
Income Tax A. Y. 2014-15 *****	4451160	NIL

**(B) Contingent Assets:**

During the past years, the Company had entered into correspondence with Gujarat Electricity Board, (now known as DGVCL) for recovery of the Refund due consequent upon the Arbitration Award amounting to Rs. 15911789/- as principal amount \ together with the Interest and delayed payment charges due thereon as per the Arbitration Award which is a contingent Asset as at 31st March 2017, consequent upon the order of the Commercial Court, Vadodara dated 24th January 2017 and as the matter is pending with the Honourable High Court of Gujarat at present.

\*Rectification request for the same has been filed on 08/04/2015 to Income tax department.

\*\* Against Rs. 9000000/- Rs. 675151/- have been paid during the earlier years.

\*\*\* There are 46 Claims for back wages and other amounts by Workers/staff. In respect of 36 Employees, since the exact amount is not quantifiable, Approximat Rs.50,000/- per Employee i.e. Rs. 1800000/- is treated as contingent liability.

and in respect of 10 employees, the contingent liability is Rs. 930486/- and the total contingent liability is Rs. 2730486/-

\*\*\*\* In respect of Appeal filed by GEB against Arbitration Award for Rs.2325313/- as the award is in favour of the company the same is shown as Rs. NIL as Contingent liability as at 31st March 2016 and 31st March 2017.

\*\*\*\*\* The contingent Liability towards Gratuity claim is for 8 workers/ employees.

\*\*\*\*\* Against Income Tax Liability of Rs. 4451160/- for the Asst. year 2014-15 as at 31-03-2017 Rs. 250000/- have been paid on 14-03-2017 .

**NOTE:**

01. The accounts have been prepared on "Going Concern" assumption despite losses and erratic operation.

02. Company was referred to GBIFR for rehabilitation and revival and the sanction was recorded by the Industries Commissioner, Gujarat, according to which the company has paid Rs. 1.89 Crores to GIDC/ Sales Tax Department/Ukai Water Department etc. during the year.

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/reclassified wherever found necessary.

**For M.B.MAJMUDAR & CO.**  
Chartered Accountants  
Firm Registration No: 105884W

(MANOJ B. MAJMUDAR)  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 30.05-2017

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

Mr. Pankaj M. Kadakia  
(Managing Director)

Mr. (Dr.) Niranjan M. Pandya  
(Director)

Mr. Bharat A. Parikh  
(Chief Financial Officer)

(Company Secretary)  
PLACE : VADODARA  
DATE : 30.05-2017

## KUMAKA INDUSTRIES LIMITED

31.03.2017

31.03.2016

<b>*</b>	<b>NOTE NO.16</b>		
	<b>REVENUE FROM OPERATIONS</b>		
	Gross Sales	64250	2274795
	Less: Sales during F.Y. 2014-15 returned back during F.Y. 2015-16	NIL	119900
	Revenue from operations net of Sales Return	64250	2154895
<b>*</b>	<b>NOTE NO. 17</b>		
<b>*</b>	<b>OTHER INCOME:</b>		
	Dividend Income		
	Interest Earned on Investments	734386	16503
	Profit on Sale of Mutual Funds	0	4132
	Sundry Accounts Written Back	5802701	2427937
	Other Misc. Income	310	0
	Gratuity (earlier one cheque was issued but not presented in Bank within stipulated time, hence reversed and treated as income)	22500	0
	Profit on Sale of Office Premises at Ahmedabad	1072266	0
	Commission on Sales	0	84000
	<b>Total Rs.</b>	<b>7632163</b>	<b>2532572</b>
	During the Year under Audit the Company has Writtenoff and Writtenback Outstanding Balances in Loans and Advances Accounts , Advance Received against Sale of Land and Other Liabilities (Duties & Taxes). The Same is Accounted as Sundry Accounts Writeen Off under the head Other Expenses (Note No. 22) and Writeen Back Under Other Income (Note No. 17)		
<b>*</b>	<b>NOTE NO.18</b>		
<b>*</b>	<b>COST OF MATERIALS CONSUMED:</b>		
	Opening Stock of Raw Materials	102346	255211
	Add : Purchases:		3026468
	Less: Closing Stock of Raw Materials	102346	102346
	<b>TOTAL COST OF MATERIALS CONSUMED Rs.</b>	<b>(0)</b>	<b>3179333</b>
<b>*</b>	<b>NOTE NO.19</b>		
<b>*</b>	<b>CHANGES IN INVENTORIES (FINISHED GOODS):-</b>		
	Opening Stock of Finished Goods	97080	275571
	Less : Closing Stock of Finished Goods	0	97080
	Increase / (Decrease) in Stock	<b>Total Rs. 97080</b>	<b>178491</b>
<b>*</b>	<b>NOTE NO.20</b>		
<b>*</b>	<b>EMPLOYEES BENEFIT COSTS:</b>		
	(a) Salaries and Wages/Service Charges	221672	680952
	(b) Directors' Remuneration	1200000	550000
	(c ) Gratuity	0	337583
	<b>Total Rs.</b>	<b>1421672</b>	<b>1568535</b>
<b>*</b>	<b>NOTE NO. 21</b>		
<b>*</b>	<b>FINANCE COSTS:</b>		
	Bank Charges and Commission	14380	12394
	Brokerage on sale of Office Premises at Ahmedabad	11000	NIL
	Interest expense:		
	- Other Interest and Finance Charges	NIL	NIL
	<b>Total Rs.</b>	<b>25380</b>	<b>12394</b>
<b>*</b>	<b>NOTE NO.22</b>		
<b>*</b>	<b>OTHER EXPENSES - ADMINISTRATION, SELLING AND OTHER EXPENSES :</b>		
	Advertisement Expenses	20908	29960
	Payment to Auditors:		
	- For Statutory Audit Fees	125000	125000
	- For Taxation matters	25000	35000
	- For Other Services	25000	35000
	Electricity Charges	63940	281020
	Legal & Professional Fees	602658	832499
	Licence, Subscription & Other Fees	87473	42233
	Miscellaneous Expenses	53301	8736
	Expenses on Directors other than Remmuneration	141017	94107
	Labour Compensation/Settlement	292000	0
	Rent Expenses	0	110000
	Computer Repairs and Internet charges	33609	0
	Insurance Charges	8109	7902
	Office Expenses and Secretarial Dept. Expenses	44088	70690
	Prior Period Expenses	4564000	2056988

## KUMAKA INDUSTRIES LIMITED

	31.03.2017	31.03.2016
(Gratuity Rs. 75000/- and Chief Notified Area Tax dues Rs. 4489000/- for past years)		
Printing & Stationery Expenses	252296	141635
Postage, Telephone & Other Expenses	125397	452740
Repairs & Maintenance	351231	13605
Motorcar Expenses	16880	37662
Society Charges	154042	0
Factory Expenses	0	8898
Security Charges	0	200000
Interest on VAT and CST	15996	0
Testing Fees	0	38550
E-Voting Charges	7366	0
Board Meeting Expenses	18280	0
Travelling & Conveyance Expenses	113804	137317
Commission on Sales	0	1000
Export Expenses	0	12787
Sundry Balances Written Off	1994011	28164
Consolidated Notified Area Tax	94517	0
<b>Total Rs.</b>	<u><u>9229923</u></u>	<u><u>4801493</u></u>

**\* NOTE NO.23**

**LOSS ON SALE OF ASSETS/INVESTMENT:**

Loss on Sale of Machinery	80076	0
<b>Total Rs.</b>	<u><u>80076</u></u>	<u><u>0</u></u>

**For M.B.MAJMUDAR & CO.**  
Chartered Accountants  
Firm Registration No: 105884W

(MANOJ B. MAJMUDAR)  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 30.05-2017

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

**Mr. Pankaj M. Kadakia**  
(Managing Director)

**Mr. (Dr.) Niranjan M. Pandya**  
(Director)

**Mr. Bharat A. Parikh**  
(Chief Financial Officer)

(Company Secretary)  
PLACE : VADODARA  
DATE : 30.05-2017



# KUMAKA INDUSTRIES LIMITED

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

### NOTE NO.1:

#### CORPORATE INFORMATION :

Name of the Company : KUMAKA INDUSTRIES LIMITED.  
Registered Office : 404, Sharda Chambers, New Marine Lines, 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, 2013.

##### 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 revenue and expenses 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 are valued at landed cost on FIFO basis.
- (ii) Finished goods are valued at Net Realisable Value(Excluding Excise duty).

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

Cash comprises cash on hand and balance in Current account with banks.

##### 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 :

- (i) The Depreciation is provided on straight line method by applying rates prescribed under schedule II of the Companies Act 2013 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.
- (ii) Depreciation has not been provided on Office Premises at Ahmadabad and on one Machinery sold during the year, and on Air Conditioner purchased on 31-03-2017 as the asset was put to use on last day of the year.

##### 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 :

- (i) 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.
- (ii) 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. However there are no such instances.
- (iii) Sales are recorded net of Excise duty in the annexed profit and Loss account for the year ended 31st March 2017.

##### 2.9. Other Income :

Interest income is accounted on accrual basis.

The Profit on sale of Office Premises Rs. 1072266/- (Previous year Rs. NIL) and Loss on Sale of Machinery Rs. 80076/- (Previous year Rs. NIL) have been recorded in the Profit and Loss Account as Income / Expenses.

##### 2.10. Fixed Assets :

(i) 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.

(ii) 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. There was no sale of Fixed Assets during the year.

##### Capital work-in-progress:

There is no Capital Work In Progress at year end.

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

(1) 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.

##### 2.12. Events occurring After Balance sheet date :

There are no such events found and reported by the Management during the year under Report.

##### 2.13. 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 had 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 during the past years. As the Shareholding of Kumaka Industries Limited in Kadakia Alkalies and Chemical Limited as at 31/03/2017 is only 17.42 % , Kadakia Alkalies and Chemical Limited is neither a subsidiary company nor both the companies are associate companies of each other as at 31/03/2017. and therefore Consolidation of Financial Statment as per section 128 of Companies Act 2013 is not applicable.

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.

##### 2.14. 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 company has not made any contribution towards Provident Fund and Pension Contribution during the year.

##### 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. During the year there is no Such contribution made by Company.

##### 2.15. 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. However there is no such instance during the year.

##### 2.16. 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 no exports were made during the year.

##### 2.17. 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.

## KUMAKA INDUSTRIES LIMITED

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, 1961. However in View of the business loss during the year under report, the tax liability for the financial year ended 31/03/2017 is estimated to be Rs. NIL.

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.

### 2.18. 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.

### 2.19. Provisions and Contingencies :

Provisions are recognized when the company has a present legal or constructive liability 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 as at 31st March 2017.

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 the then section 197 and 198 of the Companies Act 2013. Accordingly the Company has to provide remuneration to the Managing Director as per the permission granted by the Central Government.

- (1) The Loans and Advances to related parties viz (i) the Former Subsidiary Company M/s. Kadakia Alkies and Chemicals Limited Rs. 97614973/- and (ii) M/s. USM Enterprise, Mumbai Rs. 62448278/- outstanding since past many years are doubtful of recovery. However, no provision for Bad/doubtful Debts has been made against the said advances till date.
- (2) During the Income Tax Assessment Proceedings under section 143(3) of the Income Tax Act-1961 for the Asst. year 2014-15 USM Enterprise had confirmed the balance of Rs. 51553377/- against Rs. 62448278/- as per the accounts of the company, resulting into difference of Rs. 10894901/- between these two balances.
- (3) The Advance outstanding Rs. 243840/- from Ashok V. Panchal is doubtful of recovery. However, as the matter is under Litigation, though the same is doubtful of recovery, the same is shown as it is in the accounts of the Company as at 31st March 2017 and against the said advance also Provision for Bad / Doubtful Debt is not made in the accounts till date.

### 2.20. Pre-Operative Expenditure :

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

### 2.21. Service Tax/ Excise and Cenvat :

#### Excise :

Excise duty payable on company's products is accounted on production thereof. The sales as per Profit & Loss a/c are Net of Excise Duty.

#### 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.

### 2.22. 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.

### 2.23. Related Party Transactions :

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 under:

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

#### A Associated concern/ Related Company/Concern :-

Kadakia Alakalies and Chemicals Ltd.

USM Enterprise

#### B Key Management Personnel and Relatives

Mr. Pankaj Manilal Kadakia

Mr. Bharat A. Parikh

#### C Relatives of Key Management Personnel

Pankaj M Kadakia (HUF)

Mrs. Madhavi Pankaj Kadakia

Mr. Shyam Pankaj Kadakia

#### D Details of transactions upto 31/03/2017 with related parties are as under:

Particulars	Rs in Lacs		
	Associates	Key Mgt.	Other Related parties
Purchase of goods and services	Nil	Nil	Nil
Remuneration and sitting fees	Nil	13.41	Nil
Finance given (including loans and equity contributions in cash or in kind):			
1. Former Subsidiary Company Rs. 976.15 Lakhs			
2. Related partnership Firm Rs. 624.48 Lakhs	Nil	Nil	1600.63
Sale of Shares/ Investments	Nil	Nil	Nil
Rent and Other expenses	Nil	Nil	Nil
Debts due to the company (Loans and Advances)	Nil	Nil	Nil
Debts due to the company(Sundry Debtors)	Nil	Nil	Nil
Debts payable by the Company	Nil	Nil	Nil

### 2.24. Transactions Took Place During the Current Financial Year :

1. During the year Following amounts have been written off / Written Back to Profit and Loss A/c :

#### A : Balances of Parties Written Back :-

	Amount (Rs.)
SALES TAX PAYABLE	131873
BARODA ADVERTISING AGENCY	26006
GUJARAT INTELLIGENCE SECURITY INDIA	595
GBIFR SCHEME GUJARAT	2818545
BHARAT PARIKH	1557750
V N JOSHI	1066000
CHOKSI LABORATORIES	5562
GOLDEN ICE FACTORY	12527
INDUSTRIAL TRADING COMPANY	56398
MANJU INTERTAX PVT. LTD.	20522
NILESH TRADING CO.	10697
PATIDAR HARDWARE	28715
PRECIOUS SCIENTIFIC GLASS WORK	10762
RATAN ELECTRICALS TRADING	6861
RIBOSOME PHARMA GASES LTD.	39330
SICGIL INDUSTRIAL GASES LTD.	3234
SUDERSUN CHEMICALS	7324
<b>Total Rs.</b>	<b>5802701</b>

#### B. Balances of Parties Written off :-

	Amount (Rs.)
ADDITIONAL CVD DUTY	16174
CVD	226918
EDUCATION CESS ON EXCISE	364
HIGHER EDUCATION CESS ON EXCISE	180
EXCISE DUTY	39434
INPUT SERVICE TAX	202806
INPUT EDUCATION CESS ON SERVICE TAX	1165
INPUT HIGER EDUCATION CESS ON SERVICE TAX	418
DUN & BREADSTREET SERVICES INDIA P LTD.	12064
CONSULTANCY FOR SANAND PROJECT	62500
INDIAN ASSOCIATION FOR RADIATION PROTECTION	56180

## KUMAKA INDUSTRIES LIMITED

SERVICE TAX RECEIVABLE	2833
TREE PLANTATION DEPOSIT	29000
INTEREST ON ADVANCE PAYMENT FOR SANAND, GIDC	1285170
TDS FOR YEAR 2012-13	8352
MASCOT HEALTH SERVICES PVT. LTD.	29835
1% ADDITIONAL TAAX ON PURHCAASE OF CAPITAL GOODS	1124
12.5% INPUT VAT	34
2.5% ADDITIONAL INPUT VAT	572
2.5% ADDITIONAL TAX ON PURCHASE OF CAPITAL GOODS	942
4% INPUT VAT ON PURCHASE OF CAPITAL GOODS	3892
ADVANCE INCOME TAX PAID	14054
<b>Total Rs.</b>	<b>1994011</b>

2. Cash and Bank Balances as on 31/03/2017 are Certified by the Management.
3. Prior Period Expenses provided during the year includes (i) Gratuity paid to Worker Rs. 75000/- and (ii) Chief Notified Area dues for Past years Rs. 4489000/- as per the Note No. 21 of the Profit and Loss Account for the year ended 31st March 2017.
4. During the year ended 31st March 2017, the Company has received advance against sale of Industrial Plot at GIDC, Ankleshwar amounting to Rs. 37469520/- for which the sale Deed / Document for Sale has not been finalised till date and hence the said amount is shown under "other Liabilities" in Note No. 8 above.

**For M.B.MAJMUDAR & CO.**  
**Chartered Accountants**  
**Firm Registration No: 105884W**

**(MANOJ B. MAJMUDAR)**  
**PROPRIETOR**  
**Membership. No. 014426**

**PLACE : VADODARA**  
**DATE : 30.05.2017**

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

**Mr. Pankaj M. Kadakia**  
**(Managing Director)**

**Mr. (Dr.) Niranjan M. Pandya**  
**(Director)**

**Mr. Bharat A. Parikh**  
**(Chief Financial Officer)**

**(Company Secretary)**  
**PLACE : VADODARA**  
**DATE : 30.05.2017**

# KUMAKA INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

Name of the Company KUMAKA Industries Ltd

AS 3.18(b) Cash Flow Statement for the year ended 31 March, 2017

Ref No. GI 3 GN 6.10 GI 4 GN 6.14	Particulars	For the year ended 31 <sup>st</sup> March, 2017		Rupees in Lacs For the year ended 31 <sup>st</sup> March, 2016	
		AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)
<b>AS 3.8</b>	<b>A. Cash flow from operating activities</b>				
<b>AS 3.20</b>	Net Profit / (Loss) before extraordinary items and tax	(4551855)		(6655157)	
	<u>Adjustments for:</u>				
	Depreciation and amortisation	1394137		1412901	
	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	(992190)			
	Expense on employee stock option scheme				
	Finance costs	0		0	
	Interest income	(734386)		(16503)	
	Dividend income			0	
	Net (gain) / loss on sale of investments			(4132)	
			(4884293)		(5262891)
	Operating profit / (loss) before working capital changes	(4884293)	(4884293)	(5262891)	(5262891)
	<u>Changes in working capital:</u>				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	97080		331355	
	Trade receivables	33835		106161	
	Short-term loans and advances	(29627)		(202725)	
	Long-term loans and advances	4798531		(918031)	
	Other current assets	-		0	
	Other non-current assets	0		0	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(1476376)		823492	
	Other current liabilities	15597657		(1065139)	
	Other long-term liabilities	-		0	
	Short-term provisions	-		0	
	Long-term provisions	-		0	
			19021101		(924887)
			14136807		(6187778)
AS 3.28	Cash flow from extraordinary items		-		0
	Cash generated from operations		14136807		(6187778)
AS 3.34	Net income tax (paid) / refunds		14136807		(6187778)
AS 3.35	<b>Net cash flow from / (used in) operating activities (A)</b>		<b>14136807</b>		<b>(6187778)</b>
<b>AS 3.8</b>	<b>B. Cash flow from investing activities</b>				
<b>AS 3.15</b>	Capital expenditure on fixed assets, including capital advances	(23990)		(13985)	
	Proceeds from sale of fixed assets	1350000		-	
	Proceeds from sale of long-term investments			4132	
AS 3.37	- Subsidiaries				
	- Associates				
	- Joint ventures				
AS 3.37	- Business units				
	- Others	0		30868	
AS 3.30	Interest received				
AS 3.36	- Subsidiaries				
AS 3.36	- Associates				
AS 3.36	- Joint ventures				
	- Others	734386		16503	
AS 3.30	Dividend received				
AS 3.36	- Subsidiaries				
AS 3.36	- Associates				
AS 3.36	- Joint ventures				
	- Others	0		0	
	Rental income from investment properties				
	Rental income from operating leases				
	Amounts received from partnership firms				
	Amounts received from AOPs				

## KUMAKA INDUSTRIES LIMITED

Ref No. GI 3 GN 6.10 GI 4 GN 6.14	Particulars	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
		AMOUNT (RS.)	AMOUNT (RS.)	AMOUNT (RS.)	AMOUNT (RS.)
	Amounts received from LLPs	2060396		37518	
AS 3.28	Cash flow from extraordinary items	-	2060396		37518
			2060396		37518
AS 3.34	Net income tax (paid) / refunds	-	-		
	<b>Net cash flow from / (used in) investing activities (B)</b>		<b>2060396</b>		<b>37518</b>
	<b>C. Cash flow from financing activities</b>				
	Share application money received / (refunded)/(Reserve Utilised)	0		(4369)	
	Proceeds from long-term borrowings	-		-	
	Repayment of long-term borrowings				
	Net increase / (decrease) in working capital borrowings	(14989337)		5053572	
	Proceeds from other short-term borrowings				
	Repayment of other short-term borrowings				
	Finance cost	-		0	
	Dividends paid				
	Tax on dividend				
		(14989337)		5049203	
	Cash flow from extraordinary items	-	(14989337)		5049203
	<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(14989337)</b>		<b>5049203</b>
	Net increase / (decrease) in Cash and cash equivalents (A + B + C)		1207866		(1101057)
	Cash and cash equivalents at the beginning of the year		465698		1566755
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
	Cash and cash equivalents at the end of the year		1673564		465698
	Reconciliation of Cash and cash equivalents with the Balance Sheet: Cash and cash equivalents as per Balance Sheet (Refer Note 19)		1673564		465698
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		1670877		30732
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		2687		434966
	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)		-		-
	Cash and cash equivalents at the end of the year *		1673564		465698
	* Comprises:				
	(a) Cash on hand		2687		434966
	(b) Cheques, drafts on hand				
	(c) Balances with banks		1670877		30732
	(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**

**For M.B.MAJMUDAR & CO.**  
Chartered Accountants  
Firm Registration No: 105884W

**(MANOJ B. MAJMUDAR)**  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 30.05-2017

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

**Mr. Pankaj M. Kadakia**  
(Managing Director)

**Mr. (Dr.) Niranjana M. Pandya**  
(Director)

**Mr. Bharat A. Parikh**  
(Chief Financial Officer)

(Company Secretary)  
PLACE : VADODARA  
DATE : 30.05.2017

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LTD.

**Regd. Office :** 404, 4th Floor, Sharda Chambers, 33, New Marine Lines, Mumbai-400 020.

### ATTENDANCE SLIP

Name of Member : \_\_\_\_\_

Address of Member : \_\_\_\_\_

Folio No. : \_\_\_\_\_ No. of Shares: \_\_\_\_\_

I / We hereby record my / our presence at 43rd Annual General Meeting of Members of the Company, to be held on Monday, 18th September, 2017 at 10.00 A.M. The Electric Merchants Association, Room No. 7 & 12 , 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai - 400002.

I / We are Shareholder of the Company / a Proxy / Authorized Representative.

Please complete this Slip and hand it over at the entrance.

**Signature of Shareholder/Proxy**

----- Tear here -----

## KUMAKA INDUSTRIES LTD.

**Regd. Office :** 404, 4th Floor, Sharda Chambers, 33, New Marine Lines, Mumbai-400 020.

### PROXY

[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. : \_\_\_\_\_ No. of shares: \_\_\_\_\_

I/We being a member / members of \_\_\_\_\_ 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 .....

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 43rd Annual General Meeting of the Company, to be held on Monday, 18th September, 2017 at 10.00 A.M. at The Electric Merchants Association, Room No. 7 & 12 , 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai - 400002 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 Audited Financial Statements.		
2.	To appoint a Director in place of Mr. Pankaj M Kadakia (DIN-00166339), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Statutory Auditor to fill casual vacancy		
4.	Appointment of Statutory Auditor		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
Revenue  
Stamp  
Re.1.00

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of shareholder

#### 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.



**TO,**

*If undelivered, please return to :*

**KUMAKA INDUSTRIES LTD.**

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