



# **KUMAKA INDUSTRIES LIMITED**

**(CIN : L99999MH1973PLCO16315)**

**41<sup>st</sup>**  
**Annual Report**  
**2014-2015**

**KUMAKA INDUSTRIES LIMITED**

**(Established on 13-02-1973)**  
**(CIN : L99999MH1973PLCO16315)**  
**41st Annual Report 2014-15**  
**Corporate Information**

**Board of Directors:**

Shri Pankaj Kadakia	-	Chairman
Shri Shyam P Kadakia	-	Managing Director
Dr. Niranjana Pandya	-	Non Executive Independent Director
Dr. Dhananjay Panchal	-	Non Executive Independent Director
Dr. Shailesh R Modi	-	Non Executive Independent Director
Mrs. Madhavi Kadakia	-	Non Executive Women Director (From 12/03/2015)

**Auditors:**

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

**Registered Office:**

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

**Corporate Office:**

5/B, 5th Floor, Ram Krishna Chambers,  
B.P.C.Road, Alkapuri, Vadodara-390007  
Tel. No. : 0265-2330019; Fax No. : 0265-2333884  
Website: kumakaindustries.com  
E-mail : info@kumakaindustries.com

**Registrar and Transfer Agent:**

**Link Intime India Pvt. Ltd.**

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

## KUMAKA INDUSTRIES LIMITED

### NOTICE

**Dear Member(s),**

NOTICE is hereby given that the 41st Annual General Meeting of the Members of KUMAKA INDUSTRIES LIMITED will be held on Tuesday, 22nd September, 2015 at 2:30 PM at The Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K.Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400001 Maharashtra to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement consisting of Balance Sheet as at March 31, 2015, Profit and Loss and Cash Flow Statement for the year ended on March 31, 2015 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pankaj Manilal Kadakia who is liable to retire by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to resolution passed by the Members at their Annual General Meeting held on 30th September, 2014, the appointment of M/s. M.B. Majmudar & Co., Chartered Accountants, the Statutory Auditors, to hold office till the conclusion of Annual General Meeting to be held in the year 2016, be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix remuneration payable to the Statutory Auditors for the Financial year ending 31st March, 2016, as may be determined by the Board in consultation with the Auditors plus service tax, out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**Special Business:**

4. To appoint Mrs. Madhavi Kadakia (DIN: 02570340) Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT Mrs. Madhavi Kadakia (DIN: 02570340) who was appointed as an Additional Director by the Board of Directors of the Company with effect from 12th March, 2015, and who holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company in terms of Section 149(1) of the Companies Act, 2013, whose period of office shall be liable to determination by retirement of directors by rotation."

**Date: 11-05-2015**

**Place: Vadodara.**

**By Order of the Board,**

**Kapil Dighe  
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.

## KUMAKA INDUSTRIES LIMITED

- (iii) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (iv) 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 Tuesday, 15th September, 2015 to Tuesday, 22nd September, 2015 (both days inclusive) for the purpose of Annual General Meeting .

### 3. CUT OFF DATE:

- (i) This Notice is being sent to all the members whose name appears as on 24th August, 2015 in the Register of Members or Beneficial Owners as received from M/s Link Intime India Private Limited, the Registrar and Transfer Agent of the Company.
- (ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Tuesday, September 15, 2015 (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 24th August, 2015, 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 annual report along with aforesaid documents are being sent by the permitted mode.
- (ii) Abridged and full version of the 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 annual reports will be sent to those shareholders who will request the same.
- (iii) All the documents referred to in the accompanying notice, explanatory statement and Register of directors and key managerial personnel and their shareholding are open for inspection at the registered office of the Company on all working days except Saturdays 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 Initiatives 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 casted 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.
- (iv) The Company has appointed Mr. Jayesh Vyas, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner

#### (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 Clause 35 B of the Listing Agreement the Company is pleased to provide facility of Remote E-

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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 19th September, 2015 at 9 A.M and ends on 21st September, 2015 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5 P.M. 21st September, 2015.
- (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

	Enter your 10 digit alpha-numeric
PAN	* 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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Bank Details	<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.

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- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (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 Corporate.
  - 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).

### 6. SCRUTINIZER

- (i) Mr. Jayesh Vyas, Company Secretary in Practice (Membership No. FCS 5072) having consented to act as a scrutinizer has been appointed as scrutinizer (“Scrutinizer”) for scrutinizing the voting process (Ballot 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 unblock 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 two days 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) in the investors relation section 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 holding shares in physical form and 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 (enclosed with this Notice).

### 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.
- (ii) Additional information pursuant to Clause 49 (III)(E) of the Listing Agreement pertaining to the Directors proposed to be reappointed vide Item No. 4 of the Notice, is provided in the Report on Corporate Governance forming part of Annual Report of 2015. The Director(s) have furnished the requisite consents / declarations for their appointment / re-appointment.

### 10. OTHER INFORMATION

Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

Date: 11-05-2015

Place: Vadodara.

By Order of the Board,

Kapil Dighe  
Company Secretary

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

**Item No. 4:**

The Board of Directors has appointed Mrs. Madhavi Kadakia (DIN: 02570340) as an Additional Director of the Company w.e.f. 12th March, 2015, in terms of Article 153 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013, read with, to comply with the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Madhavi Kadakia shall hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs.1,00,000/- proposing the candidature of Mrs. Madhavi Kadakia for the office of Director whose period of office shall be liable to determination by retirement of directors by rotation.

The Company has received from Mrs. Madhavi Kadakia (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mrs. Madhavi Kadakia as a Woman Director of the Company pursuant to Section 149(1) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Pankaj Manilal Kadakia and Mr. Shyam Pankaj Kadakia, are in any way, interested or concerned in this resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

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

Particulars	Mrs. Madhavi Kadakia
Date of Birth	23/10/1954
Date of Appointment	12/03/2015
Qualifications	B.A. (Economics & Political Science) Teacher for Deaf, Post Graduate Diploma in Clinical & Community Psychology.
Expertise in specific functional areas	Nil
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.	Nil
Number of shares held in the Company	39,07,850

# KUMAKA INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Kumaka Industries Limited.

Your Directors hereby present their 41st Annual report on the business and operations of the Company and the Audited financial accounts for the Year ended 31st March, 2015.

### 1. Highlights of performance :

Following figures summarize the financial performance of the Company for the year 2014-2015

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

Particulars	31.03.2015	31.03.2014
Gross Total Income	112.52	577.63
Profit before Finance		
Cost, Depreciation and Taxes	14.42	447.12
Less: Finance Cost	0.13	0.04
Less: Depreciation	13.23	8.35
Less: Tax	-	-
Less: Extraordinary/Exceptional Items	-	-
Profit after Tax	1.06	438.72
Net profit carried to Balance Sheet	1.06	438.72

### 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 carried forward losses.

### 4. Share Capital

The paid up Equity Share Capital as on 31st March, 2015 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. 112.52 Lacs for the year under review as against Rs. 577.63 Lacs for the financial year 2013-14 and after providing finance cost, Depreciation and Tax, The Net Profit rich at Rs. 1.06 Lacs as against Rs. 438.72 Lacs of previous year. As the members are aware, Operations of the Company has already been recommenced from October 2014 by manufacturing High Potent Active Pharmaceutical Ingredients (HPAPI) at Ankleshwar after having received GPCB Permission and necessary Drug License and other registration. The Company is in process of availing necessary working Capital finance from Banks.

#### Future Prospects:

Overall Pharmaceuticals Industry growth is upswing and the consumption of the products is increasing. Management is very optimistic on the Pharmaceutical products.

As regards to Sterilization, the Government has realized the importance and need of the service in order to overcome the fluctuation in the Food Grain, Pulses and Vegetable markets. Most of the Civil Drawings for construction of Plant Building are ready and the Management is in the process of mobilizing the term loan for this project to fund for funding part of the project requirement.

### 6. Subsidiary Companies

The Company has no subsidiary company as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

M/s. Kadakia Alkalies & Chemicals Ltd. ceased to be the wholly owned subsidiary with effect from 7th March, 2015 upon disinvestment of equity shares of Rs.10/- each.

### 7. Directors' Responsibility Statement

- That in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2015 and of the Profit of the Company for the year ended on that date;
- 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;
- That the annual financial statements have been prepared on a going concern basis.
- That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 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, 2015.

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

Mrs. Madhavi Pankaj Kadakia has been appointed as the Director of the Company w.e.f. 12th March, 2015. Mr. Kapil Ketan Dighe has been appointed as the Company Secretary w.e.f. 12th March, 2015.



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

Mr. Jay Ramani ceased to be Chief Financial Officer w.e.f. 9th May, 2015 on resignation, in whose place Mr. Bharat Parikh has been appointed as the Chief Financial Officer w.e.f. 11th May, 2015.

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

Six Meetings of Board of Director were held during the year 10-05-2014, 12-07-2014, 13-11-2014, 09-12-2014, 12-02-2015 and 10-03-2015 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 Clause 49 of the Listing Agreements ("Clause 49").

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.

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 disclosed 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:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. M.B. Majmudar & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 40th Annual General Meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

#### (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 had appointed M/s. Jayesh Vyas & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2015. The Secretarial Audit Report is annexed as **Annexure – 1**.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2015 do not contain any qualification, reservation, adverse remark or disclaimer.

### 16. Management Discussion & Analysis

#### Pharmaceutical Project-

The current corticosteroid plant received Gujarat FDA license to commence commercial manufacture 21 types of corticosteroids. Most of our products are used in the dermatology segment. Few of the products are also used in inhalers for asthma patients.

In December 2014, the Company also received ISO 9001:2008 certification at its pharmaceutical plant located at 318/319 GIDC Ankleshwar. The Company has started supplying the material to various traders and formulators and is awaiting vendor approval from few companies.

#### Opportunities, Threats, Risk and concerns:

##### Opportunities:

- The Company will start loan-licence manufacturing at its premises
- Get DMF filling of its products
- Get approval from various multi-national Companies
- The Company can start its own formulation unit
- Getting WHO-GMP certification

##### The company will start loan-licence manufacturing at its premises:

- Get DMF filling of its products
- Get approval from various multi-national companies
- The Company can start its own formulation unit

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- Getting WHO-GMP certification

### Threats:

- There are many players in the markets manufacturing this product hence there can be price-cutting

### Risk :

- Foreign exchange fluctuation

### Outlook-

The Company has already submitted samples to various Companies for the vendor approval process, which usually takes 4 to 6 months. The Company has also started stability testing of its various products. It is hoped to make the plant WHO-GMP compliant and start loan-license manufacturing for various companies at the earliest.

India has an advantage of lower labour cost compared to North America and Europe. However, the base raw material for this product is imported hence the business is highly susceptible to foreign exchange. We plan to hedge this risk by exporting our material to other countries.

### Sterilization Project

The Company has received all the mandatory clearance for the sterilization project. The Company is trying to get a term loan approval from Banks to commence construction of this project.

### Segment wise Performance-

The Company is currently in the organic chemical segment and in production of corticosteroids used in manufacture of Pharmaceutical products. Also the Company is in process of commissioning a Irradiation Plant at Sanand.

### Financial Performance

The Management measures to re-commence the production activity have taken a step forward and now the plant has re-commenced production with few indigenous Pharmaceuticals companies and with some export orders.

A summary of the financial performance is disclosed in the 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, authorization and approval procedures. The Company has an in house internal audit department which carries out audits throughout the year. 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, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

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 transactions with Related parties as required in Accounting Standard - 18 and as per Section 188 of the Companies Act, 2013, for the year under review, are given at Note 2.23 on notes on Financial Statements annexed to this Report.

All the contracts and the transactions entered by the Company during the financial Year with related parties where on arm's length bases, in ordinary course of business and were in compliance with the applicable provisions of the Act. There are no materially significant related party transactions made by the Company with the promoters / Directors / KMP or other designated persons which may have potential conflict with the interest of the Company.

### 21. CSR Policy

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other Participants to ensure a positive impact and its

## KUMAKA INDUSTRIES LIMITED

commitment towards corporate social responsibility. The Company's commitment to excellence in education is embedded in the Company's core values. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact. The Company intends to initiate to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations in coming future.

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 Dr. Shailesh Modi, the Independent Directors.

The Company has not taken any initiative on CSR in view of its non applicability.

### **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 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 2014-15.

### **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. Further there are no employees on the role of the Company as of 31.03.2015.

### **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 2014-15.

### **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 Clause 49 of the Listing Agreement, 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 is 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 closed monitoring over plan running and adequate maintenance of electric components of plants and other machinery. The Company has not made any capital investment but for conservation of energy continued earlier/ same actions.

#### **B) Technology absorption:**

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

#### **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 the 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: 11-05-2015  
Place: Vadodara.

Pankaj Kadakia  
Chairman

## KUMAKA INDUSTRIES LIMITED

**Annexure -1**  
**FORM No. MR-3**  
**Secretarial Audit Report**

To,  
The Members,  
**Kumaka Industries Limited**  
209, 2nd Floor, Marine Chambers,  
43, New Marine Lines, Churchgate  
Mumbai-400 020.

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

Based on my verification of 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 hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

1. 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 March 31, 2015 according to the provisions of -
  - \* The Companies Act, 2013 and the Rules made there under, as applicable,
  - \* The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
  - \* The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
  - \* The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
  - \* The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - \* The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - \* The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - \* The Equity Listing Agreements with BSE Limited; and
    - \* The Memorandum and Articles of Association.
2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company with regard to:
  - (a) maintenance of various statutory registers and documents and making necessary entries therein;
  - (b) closure of the Register of Members;
  - (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - (e) notice of Board meetings and Committee meetings of Directors;
  - (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (g) the 40th Annual General Meeting held on September 30, 2014;
  - (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Whole-time Director;
  - (k) payment of remuneration to Directors including the Managing / Whole-time Director;
  - (l) appointment and remuneration of Auditors;
  - (m) transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
  - (n) declaration and payment of dividends;

## KUMAKA INDUSTRIES LIMITED

- (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
  - (p) borrowings and registration, modification and satisfaction of charges wherever applicable.
  - (q) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - (r) Directors' report;
  - (s) contracts, common seal, registered office and publication of name of the Company; and
  - (t) generally, all other applicable provisions of the Companies Act and the Rules made under the Act.
3. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
  - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
  - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
  - (d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company was not required to comply with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialization / dematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company, in view of non demating of shares.
6. The Company was not required to comply with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act.
7. I further report that:
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;
  - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations; and
  - (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- 8. I further report that;**
- The Board of Directors 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.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
9. I further report that based on the information received and records maintained 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.

Date:11-05-2015

Place: Vadodara

**For Jayesh Vyas & Associates**  
**Practicing Company Secretaries**  
**Jayesh Vyas**  
**Proprietor**

**F.C.S.:-5072: C.P.:- 1790**

## KUMAKA INDUSTRIES LIMITED

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

### 'Annexure -A'

To  
The Members  
**Kumaka Industries Limited**

Our report of even date is to be read along 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. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jayesh Vyas & Associates  
Practicing Company Secretaries**

**Place: Vadodara  
Date: 11-05-2015**

**Jayesh Vyas  
Proprietor  
FCS: 5072 CP: 1790**

### Annexure 2

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

During the years under review, the Company had not entered into any significant transactions with Directors, their Relatives and other Related Entities except the following which are at arm's length .

The Company has been;

- (i) Paying lease rent of Rs. 50,000/- per month to Mr. Pankaj Kadakia, the Chairman & Director, in respect of taking on lease the Property situated at 5-B Ramkrishna Chambers, BPC Road, Alkapuri, Vadodara, being used as Corporate Office of the Company. The plant of the Company, being situated in Ankleshwar, the Board is of the opinion that having office in the Vadodara, nearer to plant location, would enable the Board to exercise better control. The Company has entered into contract for a period as mutually agreed. The Board approved the transaction on 10th August, 2013 and no any amount was paid as an advance. The transaction, being within the limit of Board approval does not require approval of shareholders.
- (ii) Paying rent of Rs. 35,000/- per month to PMK HUF, wherein Mr. Pankaj Kadakia, the Chairman & Director of the Company is Karta, in respect of the Property situated at 209, Marine Chambers, 2nd Floor, 43, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai - 400 020 as Registered Office of the Company. The Company has entered into contract for a period as mutually agreed. The Board approved the transaction on 10th August, 2013 and no any amount was paid as an advance. The transaction, being within the limit of Board approval does not require approval of shareholders.
- (iii) Paying hire charges of Rs. 25,000/- per month towards Car being used by Mr. Pankaj Kadakia, the Chairman & Director, for the purpose of the Business of the Company. The Board approved the transaction on 13/02/2013 and no any amount was paid as an advance. The transaction, being within the limit of Board approval does not require approval of shareholders.

# KUMAKA INDUSTRIES LIMITED

Annexure 3

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015 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	209, 2nd Floor, Marine Chambers 43, New Marine Lines, Churchgate Mumbai, Maharashtra
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	24231	100

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

The Company has no subsidiary Company as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

M/s. Kadakia Alkalies & Chemicals Ltd. ceased to be the wholly owned subsidiary with effect from 7th March, 2015 upon disinvestment of 82% of its equity shares of Rs.10/- each.

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

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

Statement Showing Shareholding Pattern as on 31-03-2015								
Category code	Category of Shareholder	Number of Share-holders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	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	14	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

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(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	14	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
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	14	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	9813	13,01,225	0	10.77	10.77	0	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	6	1,24,800	0	1.03	1.03	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)	9845	14,93,175	0	12.35	12.35	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9847	15,03,475	0	12.44	12.44	0	0
	TOTAL (A)+(B)	9861	1,20,85,625	0	100.00	100.00	0	0.00
<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>9861</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>



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### (ii) Shareholding of Promoters

Sl 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 Shyam P Kadakia	29, 23,250	24.19	0	29, 23,250	24.19	0	0
3	Smt Madhavi P Kadakia	39, 07,850	32.33	0	39, 07,850	32.33	0	0

### (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				
	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				
	At the beginning of the year	36800	0.30	36800	0.30
	At the End of the year	36800	0.30	36800	0.30
03	Dipak Haribhai Gaudani				
	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				
	Deepak haribhai gaudani				
	At the beginning of the year	23800	0.20	23800	0.20
	At the End of the year	23800	0.20	23800	0.20

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05	Ramesh maheshwari A Venkat Raman Mahesh Kumar Jhawar 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 Saroj Kirit Shah Paresh Bhagwandas Shah 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 At the beginning of the year	10200	0.08	10200	0.08
	At the End of the year	10200	0.08	10200	0.08
08	Manjulaben R Kothari Sanjay R Kothari 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 Kishor C Dadbhawala At the beginning of the year	9800	0.08	9800	0.08
	At the End of the year	9800	0.08	9800	0.08
10	Masitia Capital Services Ltd At the beginning of the year	9800	0.08	9800	0.08
	At the End of the year	9800	0.08	9800	0.08

**(v) Shareholding 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	Shri Shyam P. Kadakia At the beginning of the year	29,23,250	24.19	29,23,250	24.19
	At the end of the year	29,23,250	24.19	29,23,250	24.19
03	Smt Madhvi P. Kadakia At the beginning of the year	39,07,850	32.33	39,07,850	32.33
	At the end of the year	39,07,850	32.33	39,07,850	32.33

**V. Indebtedness: The Company has no debt not taken any borrowing, secured or otherwise from any banks or Financial Institution as on 31st March, 2015.**

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

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

## KUMAKA INDUSTRIES LIMITED

The Company has paid Gross salary of Rs. 9,00,000 p.a. to Mr. Shyam Kadakia, the Managing Director. 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:

Sr.No	Name of Member	Sitting Fees
01	Dr. Dhanjay Panchal	7,750
02	Dr. Niranjan Pandya	7,750
03	Mrs. Madhavi Kadakia	1,000
	Total	16,500

Except sitting fees, no any kind of sum was paid to aforesaid Directors.

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

(i)	*Mr. Jay Ramani - CFO (From 12/07/14)	-	Rs. 1,84,900
(ii)	**Mr. Kapil Ketan Dighe-CS (From 12/03/15)	-	Rs. 10,500

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

There were no Notice received for penalties / punishment / compounding of offences from any Judicial of Regulatory entities during the year ending March 31, 2015.

## KUMAKA INDUSTRIES LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy

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

#### 2. Board of Directors

The Board of Directors as at 31st March, 2015 comprised of Six Directors with the One Chairman, One Executive Director, Three Independent Non-Executive Directors and One Women Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the BSE Limited and Section 149 of the Companies Act, 2013

During the year, Six Board Meetings were held on 10-05-2014, 12-07-2014, 13-11-2014, 09-12-2014 12-02-2015 and 10-03-2015.

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 he acts as Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors.

Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchange. 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 clause 49 of the Listing Agreement and Section 149(6) of the Act.

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

A brief resume of the director being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which he holds directorship and membership of the committees of the Board, is annexed to the Notice.

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.

Name of Directors	Category of Directors	No. of Board Meeting Attended during 2014-15	Attendance 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 & Director	6	Yes	-----	-----	-----	-----
Shri Shyam P Kadakia DIN 02281039	Managing Director	5	Yes	-----	-----	-----	-----
Dr. Niranjana Pandya DIN 00385689	Non-Executive Independent	6	Yes	-----	-----	-----	-----
**Mrs. Madhavi Kadakia DIN 02570340	Woman Director	1	---	-----	-----	-----	-----
Dr. Dhananjay Panchal DIN 02988364	Non-Executive Independent	6	Yes	-----	-----	-----	-----
Dr. Shailesh R Modi DIN 06457903	Non-Executive Independent	1	---	-----	-----	-----	-----

\*\* Mrs. Madhavi Kadakia has been appointed w.e.f 12/03/2015

## KUMAKA INDUSTRIES LIMITED

### Shareholding of Directors:

Name of Directors	No. of Shares	% of the Capital
Shri Pankaj M. Kadakia	28, 29,450	23.41
Shri Shyam P Kadakia	29, 23,250	24.19
Smt Madhavi P Kadakia	39, 07,850	32.33

### Committees of the Board:

#### 1. Audit Committee:

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchange read with Section 177 of the Companies Act, 2013,

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

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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization 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 with two Independent Directors and one Executive Director viz. Dr. Dhananjay I. Panchal, Dr. Niranjana M. Pandya, and Mr. Shyam Kadakia with Dr. Dhananjay Panchal, as the Chairman. The Committee met on 10-05-2014, 12-07-2014, 13-11-2014, 12-02-2015.

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. Dhananjay Panchal	Chairman	4	4
Dr. Niranjana M. Pandya	Member	4	4
Mr. Shyam P. Kadakia	Member	4	3

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 Three Independent Directors viz. Dr. Niranjana M. Pandya and Dr. Dhananjay Panchal and Dr. Shailesh Modi with Dr. Niranjana M. Pandya, as the Chairman. Two Meetings of Remuneration Committee was held on 10th March, 2015 and 29th March, 2015, during the year under review.

The 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 Directors is being paid 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.

## KUMAKA INDUSTRIES LIMITED

### 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 whole time director, based on performance and defined criteria, which consisted of Dr. Dhanjay Panchal, Dr. Niranjana Pandya and Dr. Shailesh Modi.

The Chairman of the Committee is Dr. Dhanjay Panchal.

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 2014-2015 are as under.

Sr.No	Name of Member	Sitting Fees
01	Dr. Dhanjay Panchal	7,750
02	Dr. Niranjana Pandya	7,750
03	Mrs. Madhavi Kadakia	1,000
Total		16,500

For the year ended 31st March, 2015, Mr. Shyam Kadakia, the Managing Director was paid remuneration of Rs. 9,00,000. Non Executive Directors do not draw any remuneration. However, they were paid per meeting, sitting fees @ Rs. 1,000/- per Board Meeting and Rs. 250/- per Committee Meeting, during the year under review.

### 3. Stakeholders' Relationship Committee

The Committee consisted with Three Independent Directors viz. Dr. Niranjana M. Pandya, Dr. Dhananjay Panchal and Dr. Shailesh P. Modi, with Dr. Niranjana M. Pandya, as the Chairman.

Two Meetings were held on 12-07-2014, and on 10-03-2015 which was attended by all the members.

Mr. Kapil Dighe the Company Secretary was appointed as the Compliance Officer.

The Committee, inter alia, oversees and reviews all matters connected with the securities 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 31.03.2015, there were no Investor Grievances remaining unattended / pending to more than 30 days.

### 4. 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
30-09-2014	3.00 p.m.	2 <sup>nd</sup> 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
27-08-2013	2.00 p.m	3 <sup>rd</sup> Floor, Walchand Centre, Training Room, Indian Chamber of Commerce, Church Gate, Mumbai-400 020	None
25-09-2012	2.00 p.m	3 <sup>rd</sup> Floor, Walchand Centre, Training Room, Indian Chamber of Commerce, Church Gate, Mumbai-400 020	None

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

## KUMAKA INDUSTRIES LIMITED

### 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 Clause 49 of the listing agreement with the BSE Ltd.

### 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 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 have 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 difficulties the results could not be published in newspapers, they are submitted to the BSE in accordance with the Listing Agreement and are supplied through E-Mail & posts to the Shareholders, on demand.

### 7. General Shareholder Information:

#### (a) 41st Annual General Meeting

Date and Time	:	22nd September, 2015 at 2.30 p.m.
Venue	:	The Maharashtra Chamber of Commerce, Industry and Agriculture (Maccia), Oricon House, 6th Floor, 12, K.Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400001

#### (b) Financial Calendar :

##### Board Meeting to approve Unaudited Financial results for Period

Quarter ending September 30th, 2015	By 14th of November, 2015
Quarter ending December 31st, 2015	By 14th of February, 2016
Quarter ending March, 31st, 2016	By 14th of May, 2016
Quarter ending June, 30th, 2016	By 14th July, 2016
Annual General Meeting for the Year ending on 31.03.2016.	By end of September, 2016
Audited Results for year 2015-16	By end of May, 2016.

(c) **Dates of Book Closure** : From Tuesday, the 15th September, 2015 to Tuesday the 22nd September, 2015 (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** : Link Intime India PVT. LTD.  
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

## KUMAKA INDUSTRIES LIMITED

**(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, 2015**

No of Shares	No. of Shareholders	% of Shareholders	No. of Shareholders	% of Total Shareholders
Up to 500	9,628	97.64	10,33,250	8.55
501 to 1000	136	1.38	1,04,875	0.87
1001 to 2000	46	0.47	66,675	0.53
2001 to 3000	19	0.19	48,725	0.40
3001 to 4000	5	0.05	18,700	0.16
4001 to 5000	7	0.07	31,900	0.27
5001 to 10000	6	0.06	53,500	0.45
10001 & above	14	0.14	1,07,28,000	88.77
<b>Total</b>	<b>9861</b>	<b>100.000</b>	<b>1,20,85,625</b>	<b>100.00</b>

**(ii) Shareholding Pattern as on 31st March, 2015:**

Sr. no.	Categories	No. of Shares held	%of Shareholding
1.	Directors & Relatives (Promoters)	1,05,82,150	87.56
2.	Mutual Funds/ UTI	10,200	0.08
3.	Banks/Financial Institutions	100	0.00
4.	Other Corporate Bodies	67,150	0.56
5.	Indian Public	14,26,250	11.80
	<b>Total</b>	<b>1,20,85,625</b>	<b>100.00</b>

**(l) Outstanding GDRs / ADRs** : Not Applicable  
**Warranty**

**(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  
5/B, 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, 2015, 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 : 11-05-2015  
Place : Vadodara

For Kumaka Industries Ltd.  
Shyam P. Kadakia  
Managing Director

### Certification of Managing Director and Chief Financial Officer to the Board pursuant to Clause 49 of the Listing Agreement with BSE Ltd.

We hereby certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is 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 the 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 : 11-05-2015  
Place : Vadodara

For Kumaka Industries Ltd.  
Shyam P. Kadakia      Bharat Parikh  
Managing Director      CFO

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Kumaka Industries Limited

We have examined the compliance of conditions of Corporate Governance by KUMAKA INDUSTRIES LIMITED ("the Company"), for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures 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 explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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.

Date : 11-05-2015  
Place : Vadodara

**For Jayesh Vyas & Associates**  
**Practicing Company Secretaries**  
Jayesh Vyas  
Proprietor  
F.C.S. : 5072 C.P. : 1790

## KUMAKA INDUSTRIES LIMITED

### INDEPENDENT AUDITOR'S REPORT

TO:  
THE MEMBERS OF  
KUMAKA INDUSTRIES LIMITED  
VADODARA.

We have audited the attached Balance Sheet of KUMAKA INDUSTRIES LIMITED ("the company") as at 31st March, 2015 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement and significant accounting policies and other explanatory information for the year ended on that date.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management.

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

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

The information required by Companies (Auditors Report) Order, 2015, are given in the annexure forming part of this report, as specified in Paragraphs 3 and 4 of the said Order.

- 1) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- 2) The Balance Sheet and Profit and Loss Account, and cash flow statement dealt with by this report are in agreement with the books of account;
- 3) In our opinion, the Balance Sheet and Profit and loss Account dealt with by this report comply with the accounting standards referred to in section 133 of the Companies Act 2013 and Subject to Notes Forming Part of the Accounts.
- 4) On the basis of written representations received from the directors, as on 31st March, 2015, and taken on record by the Board of Directors, we report that None of the Directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 of the Companies Act, 2013.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and subject to the notes thereon, the financial statements give a true and fair view in conformity with accounting principles generally accepted in India;

- a) In the case of Balance sheet of the state of affairs of the company as at 31st March 2015;
- b) In the case of the statement of Profit and Loss, of the Profit for the year ended on that date, and
- c) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

FOR M. B. MAJMUDAR & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No:105884W

MANOJ B. MAJMUDAR  
PROPRIETOR  
(MEMBERSHIP NO: 014426)

PLACE : VADODARA.

DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

### KUMAKA INDUSTRIES LIMITED

Annexure referred to in the Audit Report

(As Per Para 3 and 4 of the Companies Auditor's Report order 2015.)

- (3) (i) (a) The Fixed Assets Register for Addition in Fixed assets from Financial Year 2012-2013 is available for our verification during the Year under Audit.
- (b) These fixed assets are physically verified by the management from time to time. The material discrepancies donot seem to have been noticed by the management.
- (ii) (a) Stock of Raw Materials and Finished Goods, are physically verified by the management.
- (b) The procedure of physical verification of Raw materials and Finished Goods followed by management seem reasonable considering size of the company and nature of its business.
- (c) The company maintains records of Raw material and Finished goods. Material discrepancies donot seem to have been noticed on physical verification by management.
- (iii) The Company has granted unsecured loan to former subsidiary company Rs.976.15 Lacs and advance to a related firm Rs.624.48 Lacs, as at 31st March 2015 covered in the register maintained u/s189 of the Companies Act, 2013.
- (a) Because of the stringent financial condition of the said company and the firm respectively, company has neither charged interest on the above unsecured loan and advance nor has recovered the principal amount during the year.
- (b) 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.
- (iv) The Company started operational activity in this financial year. On the Basis of Verification there is adequate internal Control Procedure compared to its Turnover.
- (v) In respect of deposits accepted, 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.
- (vi) Maintenance of cost records has been prescribed by the Central Government under section 148 of the Act in respect of the Past Production Items , However the Company has just started Operational activity at Present and thereby no Cost Records are required to be maintained as per the provisions of section 128.
- (vii) (a) According to the records of the company and subject to method of accounts consistently followed by it, no delayed undisputed statutory dues were observed during the year.
- (b) The disputed statutory dues observed are as under:-

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

- (c) The Instances of transferring the amount to investors education and protection fund under the companies Act 1956 (1 of 1956) have not been observed during the year.
- (viii). The accumulated loss at the end of the financial year is less than 50% of the Net worth. However the company has not incurred cash loss during the financial year ended 31st March 2015.
- (ix) According to the information and Explanations given to us and as per the Books and Records examined by us , as on the Balance Sheet date no amount is outstanding to the Bank or Financial Institution.
- (x) According to the Information and Explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.

## KUMAKA INDUSTRIES LIMITED

(xi) According to the Information and Explanations given to us by the management, The Company has not taken any term loans during the year and as such the information required under this para 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 material fraud on the company has been noticed or reported during the year.

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

The reasons for items (iii) (a) and (b) have already been mentioned against the respective items.

**FOR M. B. MAJMUDAR & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 105884W

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

PLACE: VADODARA.

DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	Note No.	31.03.2015	31.03.2014
<b>* (A) EQUITY AND LIABILITIES:</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	3	120856250	120856250
b) Reserve & Surplus	4	103910484	267433936
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		<b>NIL</b>	<b>NIL</b>
<b>3) NON-CURRENT LIABILITIES :</b>			
(a) Long-term borrowings		NIL	NIL
(b) Deferred tax liabilities (net)		NIL	NIL
(c) Other long-term liabilities	5	NIL	880000
(d) Long-term provisions		NIL	NIL
<b>4) CURRENT LIABILITIES :</b>			
(a) Short-term borrowings	6	9935765	251004
(b) Trade payables	7	943091	1688167
(c) Other current liabilities	8	22964104	35206783
(d) Short-term provisions		NIL	NIL
	<b>TOTAL Rs.</b>	<b><u>258609694</u></b>	<b><u>426316139</u></b>
<b>* (B) ASSETS :</b>			
<b>1) NON-CURRENT ASSETS</b>			
(a) Fixed assets (Net Block)			
(i) Tangible assets	9	26334919	26888422
(ii) Intangible assets		NIL	NIL
(iii) Capital work-in-progress		NIL	NIL
(b) Non-current investments	10	39228268	856173
(c) Deferred tax assets (net)		NIL	NIL
(d) Long-term loans and advances	11	188051843	391185240
(e) Other non-current assets		NIL	698030
<b>2) CURRENT ASSETS :</b>			
(a) Current investments		NIL	NIL
(b) Inventories	12	530781	NIL
(c) Trade receivables		2670443	3721970
(d) Cash and cash equivalents	13	1566755	2921642
(e) Short-term loans and advances	14	226685	44662
(f) Other current assets		NIL	NIL
	<b>TOTAL Rs.</b>	<b><u>258609694</u></b>	<b><u>426316139</u></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.

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

**(Manoj. B. Majmudar)**  
**PROPRIETOR**  
Membership. No. 014426

**PLACE : VADODARA**  
**DATE : 11-05-2015**

**For and on Behalf of the Board,**  
**Mr. Pankaj M. Kadakia**  
(Chairman)

**Mr. Shyam P. Kadakia**  
(Managing Director)

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

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

**Mr. Kapi K. Dighe**  
(Company Secretary)

**PLACE : VADODARA**  
**DATE : 11-05-2015**

**KUMAKA INDUSTRIES LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	Note No.	31.03.2015	31.03.2014
<b>* INCOME :</b>			
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from Operations (Gross)		625553	NIL
Less : Excise Duty		57378	NIL
Revenue from Operations (Net)		568175	NIL
<b>II. OTHER INCOME</b>	15	10683689	57763281
<b>III. TOTAL REVENUE (I+II)</b>	<b>Rs.</b>	<b>11251864</b>	<b>57763281</b>
<b>* EXPENSES :</b>			
(a) Cost of materials consumed	16	691173	NIL
(b) Purchases of stock-in-trade		NIL	NIL
(c) Changes in Inventories	17	(275571)	NIL
(d) Employee benefits expense	18	2303916	3595063
(e) Finance costs	19	12692	4004
(f) Depreciation and amortisation expense	9	1323054	835176
<b>(g) Other expenses:</b>			
- Administration, Selling & Other Expenses	20	7090028	9452974
- Loss on Sale of Fixed Assets/Investments	21	0	3113
<b>IV. TOTAL EXPENSES</b>	<b>Rs.</b>	<b>11145292</b>	<b>13890330</b>
<b>V. PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>		106572	43872951
<b>VI. EXCEPTIONAL &amp; EXTRA-ORDINARY ITEMS</b>		NIL	NIL
<b>VII. PROFIT BEFORE TAX</b>		106572	43872951
<b>VIII. TAX EXPENSE:</b>			
(a) Current Tax		NIL	NIL
(b) Tax Expense - Prior Period		NIL	NIL
		NIL	NIL
<b>IX. NET PROFIT (LOSS) AFTER TAX FOR THE PERIOD</b>		<b>106572</b>	<b>43872951</b>
<b>X. EARNING PER SHARE (Equity Share of Face Value of Rs.10/- each)</b>			
Basic & Diluted Earning Per Equity Share (in Rs.)		0.01	3.63

**\* SIGNIFICANT ACCOUNTING POLICIES**

**1 and 2**

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

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

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

**(Manoj. B. Majmudar)**  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 11-05-2015

**For and on Behalf of the Board,**  
**Mr. Pankaj M. Kadakia**  
(Chairman)

**Mr. Shyam P. Kadakia**  
(Managing Director)

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

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

**Mr. Kapi K. Dighe**  
(Company Secretary)

PLACE : VADODARA  
DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	31.03.2015 Amount (Rs.)	31.03.2014 Amount (Rs.)
<b>NOTE NO.3</b>		
<b>SHARE CAPITAL :</b>		
(i) <b>Authorised Share Capital :</b> [1,50,00,000 Equity Share @ Rs.10/- each. ]	150,000,000	150,000,000
(ii) <b>Issued, Subscribed &amp; Paid-up Capital :</b> [120,856,250 Equity Share @ Rs.10/- each fully paid-up. ]	120,856,250	120,856,250
	<b>120,856,250</b>	<b>120,856,250</b>
<b>3.1 Details of Shares issued for consideration other than Cash, Bonus Shares issued and Shares Bought Back by the Company during the period of preceeding 5 years i.e. 1.04.2009 to 31.03.2014.</b>	NIL	NIL
<b>3.2 Reconciliation of number of shares and amount outstanding at the beginning and end of the year:</b> Equity shares of Rs.10/- each with voting rights fully paid-up:		

	31.03.2015		31.03.2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Equity shares outstanding at the beginning of the year	120,856,250	120,856,250.00	120,856,250	120,856,250
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	120,856,250	120,856,250.00	120,856,250	120,856,250

**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:**

	31.03.2015		31.03.2014	
	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.**

#### NOTE NO.4

##### RESERVES & SURPLUS:

a) Revaluation Reserve:

Opening balance	11217334	24742952
Add: Transferred from Statement of Profit and Loss	NIL	NIL
Less: Utilised / transferred during the year	NIL	13525618
Closing balance	(a) <u>11217334</u>	<u>11217334</u>

b) General Reserve \* :

Opening balance	40178015	2190178015
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	2150000000
Closing balance	(b) <u>40178015</u>	<u>40178015</u>

c) Share Premium Account:

Opening balance	292203750	292203750
Add: Additions/Transfer during the year	NIL	NIL
Less: Utilised / transferred during the year	NIL	NIL
Closing balance	(c) <u>292203750</u>	<u>292203750</u>

d) Capital Reserve

Opening balance	NIL	NIL
Add: Capital Gain / (Loss) on sale of Shares during the year	(185410350)	NIL
Less: Utilised / transferred during the year	NIL	NIL
	(d) <u>(185410350)</u>	<u>NIL</u>

## KUMAKA INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015	31.03.2015	31.03.2014
e) Surplus (Deficit) in Profit and Loss Statement:		
Opening balance	(76165163)	(2270038114)
Add: Profit / (Loss) for the year	106572	43872951
Provision for Doubtful Loan Written back	296680327	NIL
Amount transferred from General Reserve	NIL	2150000000
Provision for Decline in Value of Invt. Written Back	225000000	NIL
license Expenses transferred to Sanand project as advance	100000	NIL
	<u>445721736</u>	<u>(76165163)</u>
Less :		NIL
Advance Given to KACL Written off	500000000	NIL
Closing balance of Profit and Loss Statement (e)	<u>(54278264)</u>	<u>(76165163)</u>
Total (a)+(b)+(c)+(d)+(e) Rs.	<u>103910484</u>	<u>267433936</u>

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

### NOTE NO.5:

#### OTHER LONG TERM LIABILITY :

(a) Advance From Parties		
Other Advances		
Kohinoor Enterprise	NIL	880000
Total Rs.	<u>NIL</u>	<u>880000</u>

### NOTE NO.6:

#### SHORT TERM BORROWINGS:

(a) Loans repayable on Demand:	NIL	NIL
(b) Loans and Advances from Related Parties:		
Loans from Directors :-		
Shri Shyam Pankaj Kadakia	123405	231004
Smt Madhavi Pankaj Kadakia	750000	20000
Shri Pankaj Manilal Kadakia	6076000	NIL
(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)	832750	NIL
Pankaj M.Kadakia HUF (Advance received against sale of Plot of Land)	2153610	NIL
Total Rs.	<u>9935765</u>	<u>251004</u>

In the opinion of the Board of Directors, Short Term Borrowings are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business.

### NOTE NO.7:

#### TRADE PAYABLES:

##### Sundry Creditors for Goods

Micro Small and Medium Enterprises (MSME)	NIL	NIL
Parties other than MSME Units	NIL	NIL

(Other than Long Term Trade Payables)

##### Sundry Creditors for Operating Exp/Services

(Other than Long Term Trade Payables)

Creditors Below Rs.1,00,000/-	502760	922193
Gujarat Intelligence Security India	172595	NIL
Bachubhai Bhopatbhai Jograna	100000	100000
M.B.Majmudar and Co.	167736	NIL
Aayush Enterprise	NIL	205630



## KUMAKA INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015	31.03.2015	31.03.2014
Hiral Scientific Glass	NIL	126479
Mahesh Electricals	NIL	101365
Bhatt Thakkar and Co.	NIL	232500
Total Rs.	943091	1688167

The balances are subject to confirmation from the parties. However, Some of Creditors 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.

### NOTE NO.8:

#### 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:		
(1) Employee's Remuneration and Benefits Payable		
Salaries / Wages Payable to other staff	95201	5125375
Managing Director's Salary payable	767558	NIL
(2) Statutory Liabilities		
GIDC Charges Payable (As Per GBIFR)	13182000	
Ukai Charges (As Per GBIFR)	4578000	
Sales Tax (As Per GBIFR)	1234000	
Sales Tax Payable F.Y. 2010-11	163746	
CST Payable F.Y. 2010-11	192800	
TDS PAYABLE	73860	
GEB Charges (As Per GBIFR)	40245	
CST Payable	2694	
	19467345	3978635
(3) Other Liabilities		
IIT Capital Service Ltd	1500000	
Car rent payable	247500	
Bombay office rent payable	346500	
Vadodara office rent payable	540000	
	2634000	26102773
Total Rs.	22964104	35206783

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:

Name of Asset	Rate of Depn. On SLM basis	GROSS BLOCK ( AT COST )				DEPRECIATION BLOCK				NET BLOCK	
		As at 01.04.2014	Additions	Disposal/ Adjustment	As at 31.03.2015	Upto 31.03.2014	For 2014-15	Depn. W. Back	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Land	0.00%	9043055	NIL	NIL	9043055	NIL	NIL	NIL	NIL	9043055	9043055
Factory Building	3.34%	34984294	96378	NIL	35080672	20348242	1111281	NIL	21459523	13621149	14636052
Office Bldg.	1.63%	75000	NIL	NIL	75000	44858	1185	NIL	46043	28957	30142
Plant & Machinery	4.75%	2895129	353583	NIL	3248712	65342	136695	0	202037	3046675	2829787
Motor Car	9.50%	320346	NIL	NIL	320346	36186	38057	NIL	74243	246103	284160
Computer	15.84%	25667	2133	NIL	27800	1765	8636	NIL	10401	17399	23902
Furniture Fixtures	13.91%	48001	317457	NIL	365458	6677	27200	0	33877	331581	41324
<b>Total Rs.</b>		<b>47391492</b>	<b>769550</b>	<b>0</b>	<b>48161043</b>	<b>20503070</b>	<b>1323054</b>	<b>0</b>	<b>21826124</b>	<b>26334919</b>	<b>26888422</b>
<b>Previous Year</b>		<b>115232249</b>	<b>5236132</b>	<b>73076889</b>	<b>47391492</b>	<b>86812340</b>	<b>835176</b>	<b>67144446</b>	<b>20503070</b>	<b>26888422</b>	<b>28419909</b>

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.

## KUMAKA INDUSTRIES LIMITED

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**      31.03.2015      31.03.2014

NOTE NO.10:

NON-CURRENT INVESTMENTS:

Trade Investments:

(a) Investment Properties      NIL      NIL

(b) Investment in Equity instruments:

(i) Investment in former Subsidiary Company:  
95,00,000 fully paid Equity shares of Rs.10/-  
each of Kadakia Alkalies & Chemicals Ltd.      225000000      225000000  
Less : Provision for Diminution in Value of Investment      225000000      225000000  
NIL      NIL

Add : Provision Written back as no longer required      225000000

Value of Investments      225000000

Less : 78,45,000 shares Sold during the year @ Rs.0.05/-  
each per share      185802600

39197400      NIL

(c) Other non-current investments:      NIL      NIL

Total (A)      39197400      NIL

(B) Other Investments: (Non-Trade)

(a) Investment in Equity instruments:

(i) Investment in Other Companies:(Good)  
300 fully paid Equity shares of Rs.10/- each  
of Bhagawati Aqua Technos Pvt.Ltd.      NIL      3000  
300 Equity shares of Rs.10/- each(Rs.5/- paid  
up) of Bhagawati Aqua Technos Pvt.Ltd.      NIL      1500

(b) Investment in Mutual Fund Units: (Good)  
Investment in Units of IDFC Mutual Fund      30868      851673.14

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

Total (B)      30868      856173

Grand Total (A + B)      39228268

Less : Provision for diminution in the value of Investments      NIL      NIL

Total Rs.      39228268      856173

\* Other Disclosures relating to Investments:

1. Aggregate amount of quoted investments      NIL      NIL

2. Aggregate amount of unquoted investments      39228268      225856173

Refer Provision for Diminution  
in value of Investments

NOTE NO.11:

LONG TERM LOANS AND ADVANCES:

a. Capital Advances      NIL      NIL

b. Security Deposits:

- Deposit with GEB Dept.      NIL      NIL  
- Deposit of Kadakia Alkalies and Chemical Limited with GEB      10311032      10311032  
- Deposit with GEB GIDC Ankleshwar      3693196      3693196  
- Deposit With DGVCL      209024      209024

c. Loans and advances to related parties:

- Interest-free Loan/Advance  
- To Formerly Subsidiary Company  
Kadakia Alkalies and Chemicals Ltd.      597614973  
Less : Written off during the year      500000000      97614973      597614973  
- USM Enterprise      62448278      62448278  
- P.M.Kadakia HUF      0      46390  
- Pankaj Manilal Kadakia      0      91000  
- Narmada Bio Fuel      0      315000

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	31.03.2015	31.03.2014
d. Other loans and advances (specify nature)		
Advances recoverable in Cash/Kind		
- Ashok V. Panchal	243840	243840
- Expenses for sanad project :- (Including advance paid for plot booking at GIDC Sanand)	13531500	9733247
- Nitin Chandreshkumar Jain	NIL	277000
- Vikas Mahendrakumar Jain	NIL	277000
- other Loans and Advances to staff	NIL	2605588
	188051843	687865567
Less: Provision for doubtful loans and advances	0	296680327
Total Amount Rs.	188051843	391185240

Other Disclosures relating to Long Term Loans and Advances:

Loans granted to:

	31.03.2015	31.03.2014
Directors	NIL	NIL
Other officers of the Company	NIL	NIL
Company which was a former subsidiary of the Company	97614973	597614973
Firm in which director is a partner	62448278	62900668
Private Company in which director is a member	NIL	NIL

TOTAL Rs. 160063251 660515641

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 Loans and Advances 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.

NOTE NO.12:

INVENTORIES:

a. Raw Materials and components		
In Stock -	255211	NIL
b. Work-in-progress	NIL	NIL
c. Finished goods	275570	NIL
d. Stores, Spares, Fuel & Packing Mats.	NIL	NIL
	Total Rs. 530781	NIL

NOTE NO.13:

CASH AND CASH EQUIVALENTS:

A. BALANCE WITH BANKS:		
Margin Money Deposits as Security against Borrowings:		
Fixed Deposit with Bhailalbhai Contractor Smark Co.Op. Bank Ltd	NIL	797516
Balance in Current Account with Bank:	57838	177111
B. CHEQUES, DRAFTS ON HAND:	NIL	NIL
C. CASH BALANCE ON HAND:	1508917	1947015
	Total Rs. 1566755	2921642

The Company has obtained closing Bank Balance Certificates of all the Banks at the year end i.e. as of 31-03-2015.

NOTE NO.14:

SHORT TERM LOANS AND ADVANCES :

Other Loans and Advances

## KUMAKA INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015	31.03.2015	31.03.2014
Advance to Suppliers (Ayush Enterprise)	20000	0
Advance Income tax (TDS)	22405	8352
VAT Credit receivable	11024	0
CST Credit receivable	7097	5966
MODVAT On Excise Duty/ Service Tax PAID	180978	
Less : Excise Duty Payable during the year	(14819)	30344
	226685	44662
	226685	44662

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

01. In Respect of Contingent Liability :

Particulars	31.03.15	31.03.14
Income Tax A.Y.1995-96	3697936	3697936
Income Tax A.Y.1996-97	3035118	3035118
Income Tax A.Y.2012-13*	3051500	0
Excise Duty	9000000	24628381
Claim by Employee**	2750000	6000000
GEB (DGVCL)***	NIL	40245

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

\*\* There are 55 Claims for back wages and other amounts by Workers Since the exact amount is not quantifiable, Approximat Rs.50,000/- per Worker is treated as contingent liability.

\*\*\* In respect of Appeal filed by GEB against Arbitration Award for Rs.20235884/- as the award is in favour of the company the same is not shown as contingent liability as at 31st March 2015 and Rs.40245/- shown as contingent liability as at 31st March 2014 is shown as statutory ascertained liability as at 31st March 2015.

NOTE:

01. In Respect of Refrence made to Government of Gujarat's Scheme :

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

02. 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.

\*The Notes referred to above form an integral 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 : 11-05-2015

**For and on Behalf of the Board,**  
**Mr. Pankaj M. Kadakia**  
(Chairman)

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

**Mr. Kapi K. Dighe**  
(Company Secretary)

PLACE : VADODARA  
DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015	31.03.2015	31.03.2014
NOTE NO.15		
OTHER INCOME:		
Dividend Income	5985	743160
Interest Earned on Investments	33119	62516
Profit on Sale of Fixed Asset	NIL	26675418
Sundry Accounts Written off/Write Back	10553163	30241786
Other non-operating income (net of expenses)	91422	40401
Total Rs.	10683689	57763281

During the Year under Audit the Company has Writtenoff and Writtenback Outstanding Balances in Loans and Advances Accounts and Investment, Unsecured Loan, Other Liabilities.  
The Same is Accounted as Sundry Accounts Writeen Off,Writeen Back Under Other Income.

NOTE NO.16		
COST OF MATERIALS CONSUMED:		
Opening Stock of Raw Materials	NIL	NIL
Add : Purchases:	946384	NIL
Less: Closing Stock of Raw Materials	255211	NIL
TOTAL COST OF MATERIALS CONSUMED Rs.	691173	0

NOTE NO.17		
CHANGES IN INVENTORIES (FINISHED GOODS):-		
Opening Stock of Finished Goods	0	NIL
Less : Closing Stock of Finished Goods	275571	NIL
Increase / (Decrease) in Stock	Total Rs. (275571)	NIL

NOTE NO.18		
EMPLOYEES BENEFIT COSTS:		
(a) Salaries and Wages/Service Charges	1353916	1095063.00
(b) Directors' Remuneration	950000	2500000.00
Total Rs.	2303916	3595063

NOTE NO.19		
FINANCE COSTS:		
Bank Charges and Commission	12692	4004
Interest expense:		
- Other Interest and Finance Charges	NIL	NIL
Total Rs.	12692	4004

NOTE NO.20		
OTHER EXPENSES - ADMINISTRATION, SELLING AND OTHER EXPENSES :		
Advertisement Expenses	2500	16542
Payment to Auditors:		
- For Statutory Audit Fees	125000	125000
- For Taxation matters	25000	25000
- For Other Services	25000	25000
Electricity Charges	266238	199119
Legal & Professional Fees	576262	503163

## KUMAKA INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015	31.03.2015	31.03.2014
Licence, Subscription & Other Fees	215994	327696
Miscellaneous Expenses	22124	113546
Expenses on Directors other than Remuneration	282313	43076
Labour Compensation/Settlement	88129	10000
Rent Expenses	1260000	1580000
Rates & Taxes	73970	89660
Interest Expenses on TDS/Service Tax	5980	25589
Insurance Charges	18609	8485
Office Expenses and Secretarial Dept. Expenses	167743	365980
Prior Period Expenses	2249317	4188607
Printing & Stationery Exp.	92005	91951
Postage, Telephone & Other Expenses	174553	192927
Repairs & Maintenance	117695	474176
Motorcar Expenses	32147	148810
Society Charges	48731	43571
Factory Expenses	293918	0
Security Charges	445880	25357
Rearrangement Charges to BSE	112360	0
Testing Fees	55050	0
Interenet Charges	12500	0
Donation	25000	0
Travelling & Conveyance Expenses	276011	829718
Total Rs.	7090028	9452974
NOTE NO.21		
LOSS ON SALE OF ASSETS/INVESTMENT:		
Loss on Sale of Machinery and Other Assets	0	3113
Total Rs.	0	3113

The Notes referred to above form an integral 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 : 11-05-2015

**For and on Behalf of the Board,**  
**Mr. Pankaj M. Kadakia**  
(Chairman)

**Mr. Shyam P. Kadakia**  
(Managing Director)

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

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

**Mr. Kapi K. Dighe**  
(Company Secretary)

PLACE : VADODARA  
DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

#### **NOTE NO.1:**

##### **CORPORATE INFORMATION :**

Name of the Company	: KUMAKA INDUSTRIES LIMITED.
Registered Office	: 209, Marine 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 revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

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

- (i) Raw materials are valued at landed cost on FIFO basis.
- (ii) Finished goods are valued at Net Realisable Value(Excluding Exciseduty)."

##### **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 :**

The Depreciation is provided on straight line method by applying rates prescribed under schedule XIV 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.

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

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

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

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

#### 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.
- (iii) The Advances paid / Installments paid for acquiring land for the Project at Sanand, Dist : Viramgam ( Gujarat) are shown as Advances in the Annexed Balance sheet as at 31st March 2015.

#### 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 :

The Company had sold 1.100 kgs of its product for Rs.137414/- to a party on 21/02/2015 out of which the concerned party rejected the finished product worth 1.085 kgs on 09/04/2015. Since the goods were not received back till 31/03/2015, the same has not been taken in closing stock of finished goods as at 31st March 2015. The said sales return would be accounted during the current year 2015-16.

#### 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. However as the company has sold its shareholding in Kadakia Alkalies and Chemical Limited, the provision for diminution in the value of trade investments amounting to Rs.22,50,00,000/- had been transferred to Reserve and surplus during the year under Report. As the Shareholding of Kumaka Industries Limited in Kadakia Alkalies and Chemical Limited as at 31/03/2015 has been reduced to 17.42 % Kadakia Alkalies and Chemical Limited is neither a subsidiary company nor both the companies are associate companies of each other as at 31/03/2015. and therefore Consolidation of Financial Statement 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



## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

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 exports are in significant.

#### 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.

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 31/03/2015 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 2015.

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 309 (3) and 198 (1) of the Companies Act 1956. Accordingly the Company has to provide remuneration to the Managing Director as per the permission granted by the Central Government.

#### 2.20. Pre-Operative Expenditure :

Pre-operative Expenditure is carried forward to be capitalised and apportioned to various assets on commissioning of the project. The pre-operative Expenses towards the Sanand Project has been shown under Loans and advances as at 31st March 2015 Rs. 13531500/- which were shown under pre-operative (Deferred Revenue) Expenses upto previous year 31st March 2014.

#### 2.21. Service tax/ Excise & 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.

During the earlier year company has purchased plot of Land in installments from GIDC Sanand for establishing the New Plant for steralisation project. Total Land Cost and other expenses amounting to Rs. 1,22,46,330/- and Interest amounting to Rs. 12,85,170/- (Total Rs. 1,35,31,500) upto 31st March 2015 is accounted under the head Loans and advances as at 31st March 2015 which was shown under the head Differed Revenue expenditure in the Balance Sheet as at 31st March 2014.

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

**2.23. Related Party Transaction :**

As required by Accounting Standard AS - 18 "Related Parties Disclosure". Disclosure is made Only of the Related Parties with Whom Transactions were entered the details of the same are as under:

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

- A. Associated companies  
Kadakia Alkalies and Chemicals Ltd.  
USM Enterprise
- B. Key Management Personnel and Relatives  
Mr. Pankaj Manilal Kadakia  
Mrs. Madhavi Pankaj Kadakia  
Mr. Shyam Pankaj Kadakia
- C. Relatives of Key Management Personnel  
Pankaj M Kadakia (HUF)
- D. Details of transactions upto 31/03/2015 with related parties are as under:

Rs. in Lacs

Particulars	Associates	Key Mgt.	Relative and Related Concern
Purchase of goods & services	Nil	0.00	Nil
Remuneration and sitting fees	Nil	9.50	Nil
Finance(including loans and equity contributions in cash or in kind)	Nil*	Nil	1600.63
Sale of Shares/ Investments	Nil	1.50	Nil
Rent and Other expenses	Nil	15.29	Nil
Debts due to the company(Loans & Advances)	Nil	Nil	Nil
Debts due to the company(Sundry Debtors)	Nil	Nil	Nil
Debts payable by the Company	Nil	69.49	21.53

\* Which was earlier subsidiary company /Associate company has Ceased to be a subsidiary company / Associate company as at 31st march 2015.The Balance of the said company is Rs.976.15 Lacs which is shown under Related Concern.

**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.)
1.	New India Assurance co Ltd	33084
2.	Ram Nakshtra Chauhan	11520
3.	Shree Anjani Enterprise	1424
4.	Asha Hardware	40676
5.	Surya Mines Pvt Ltd	44216
6.	The CCI Ltd	0
7.	Mohamad Rizwan Shaikh	500
8.	Mahanagar Gas Limited Mumbai	193
9.	Service Charge Payable	360
10.	City Bank Card	19978
11.	SardarBhai Mistry	147992
12.	Suresh Balubhai Patel	9000
13.	Akhilesh Nisad	5770
14.	Bharat Engineers	9671
15.	A.Azammiya Alammiya & Co.	11124
16.	Chairman EEPTA Baroda	1500
17.	Gujarat Plastics	28280
18.	Mahanagar Gas Limited Mumbai	211

## KUMAKA INDUSTRIES LIMITED

### NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

19.	Mahesh Electricals	101365
20.	Mehta Enterprise Painting	13000
21.	Tofik F Banjara	31276
22.	Vodafone	1
23.	Gratuity Fund Payable	884475
24.	Bonus Payable	854004
25.	ESIC Payable	572821
26.	Deposit - Kohinoor Enterprise	680000
27.	CST Payable	1220000
28.	IIT Capital Services Ltd	2133216
29.	Dr Shailesh Modi	26794
30.	Outstanding Liabilities	4870791
31.	Sales Tax Payable	29968
	Total Rs.	11783209

(B) Balances of Parties Written off :-

		Amount (Rs.)
1.	Investment in Bhagwati Aqua	4500
2.	Nitin Chandreshkumar Jain	277000
3.	Vikash Mahendrakumar Jain	277000
4.	Mumbai Narmada Bio Fuel A/c	315000
5.	Sales Tax Payable F.Y.2010-11	163746
6.	CST Payable F.Y. 2010-11	192800
	Total Rs.	1230046

- 2 Loss on sale of shares of Kadakia Alkalies and Chemical Limited Rs.185410350/- is directly debited to Capital Reserve in the annexed Balance sheet as at 31/03/2015.
- 3 During the year under audit, Advance given to former subsidiary M/s Kadakia Alkalies and chemical Limited Rs.50,00,00,000/- has been written off in Note No 4(Reserves and Surplus) and Provision for Doubtful loan Rs.29,66,80,327/- has been written back in Note 4(Reserve and surplus).
- 4 During the year under Report , Provision for decline in value of investment Rs.22,50,00,000/- has been written back in Note no 4(Reserves and Surplus).
- 5 salary Payable to staff has been adjusted against the Advance to staff amounting to Rs.11,74,065/-.
- 6 Cash and Bank Balances as on 31/03/2015 are Certified by the Management.
- 7 Against the total amount due to IIT Capital Ltd Rs.3633216/-as at 31st March 2014, the company entered into settlement agreement with the said concern during the year under Report and the due was finalised at Rs.1500000/- and accordingly Rs.2133216/- have been written back to the annexed Profit and Loss Account for the year ended 31st March 2015.
- 8 Against the Liabilities amounting to Rs.22438794/04 as at 31st March 2014, under GBIFR Scheme,the said liabilities have been agreed at Rs.17568003/20 which are shown as ascertained statutory liabilities during the year under Report and accordingly the balance Rs.4870790/84- have been written back to Profit and Loss Account for the year ended 31st March 2015.

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

**(Manoj. B. Majmudar)**  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 11-05-2015

**For and on Behalf of the Board,**  
**Mr. Pankaj M. Kadakia**  
(Chairman)

**Mr. Shyam P. Kadakia**  
(Managing Director)

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

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

**Mr. Kapi K. Dighe**  
(Company Secretary)

PLACE : VADODARA  
DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

Name of the Company KUMAKA Industries Ltd  
AS 3.18(b) Cash Flow Statement for the year ended 31 March, 2015

Ref No. GI 3 GN 6.10 GI 4 GN 6.14	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)
AS 3.8 AS 3.20	<b>A. Cash flow from operating activities</b>				
	Net Profit / (Loss) before extraordinary items and tax	106571		43872951	
	<u>Adjustments for:</u>				
	Depreciation and amortisation				
	Provision for impairment of fixed assets and intangibles				
	Amortisation of share issue expenses and discount on shares				
	(Profit) / loss on sale / write off of assets				
	Expense on employee stock option scheme				
	Finance costs	12692		(4004)	
	Interest income	(33119)		62516	
	Dividend income	(5985)		743160	
	Net (gain) / loss on sale of investments				
			80160		44674623
	Operating profit / (loss) before working capital changes	80160	80160	44674623	44674623
	<u>Changes in working capital:</u>				
	<u>Adjustments for (increase) / decrease in operating assets:</u>				
	Inventories	(530782)			
	Trade receivables	1051527		(3721970)	
	Short-term loans and advances	(182024)		329090	
	Long-term loans and advances	203133398		(7982754)	
	Other current assets	-			
	Other non-current assets	698030		(698030)	
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
	Trade payables	(745076)		489369	
	Other current liabilities	(12242678)		(160030)	
	Other long-term liabilities	(880000)		(39888676)	
	Short-term provisions	-			
	Long-term provisions	-			
			190302395		(51633001)
			190382555		(6958378)
AS 3.28	Cash flow from extraordinary items		-		0
AS 3.34	Cash generated from operations		190382555		(6958378)
AS 3.35	Net income tax (paid) / refunds				
			190382555		(6958378)
	<b>Net cash flow from / (used in) operating activities (A)</b>		<b>190382555</b>		<b>(6958378)</b>

## KUMAKA INDUSTRIES LIMITED

Name of the Company KUMAKA Industries Ltd  
AS 3.18(b) Cash Flow Statement for the year ended 31 March, 2015

Ref No. GI 3 GN 6.10 GI 4 GN 6.14	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		AMOUNT (RS.)	AMOUNT (RS.)	AMOUNT (RS.)	AMOUNT (RS.)
AS 3.8	<b>B. Cash flow from investing activities</b>	<b>553503</b>		28419910	
AS 3.15	Capital expenditure on fixed assets, including capital advances				
	Proceeds from sale of fixed assets	0		-	
	Proceeds from sale of long-term investments				
AS 3.37	- Subsidiaries				
	- Associates				
	- Joint ventures				
AS 3.37	- Business units				
	- Others	(38372095)		22747605	
AS 3.30	Interest received				
AS 3.36	- Subsidiaries				
AS 3.36	- Associates				
AS 3.36	- Joint ventures				
	- Others	33119		(62516)	
AS 3.30	Dividend received				
AS 3.36	- Subsidiaries				
AS 3.36	- Associates				
AS 3.36	- Joint ventures				
	- Others	5985		(743160)	
	Rental income from investment properties				
	Rental income from operating leases				
	Amounts received from partnership firms				
	Amounts received from AOPs				
	Amounts received from LLPs				
		(37779489)		50361839	
AS 3.28	Cash flow from extraordinary items	-			
			(37779489)		50361839
			(37779489)		50361839
AS 3.34	Net income tax (paid) / refunds		-		
AS 3.35					
	<b>Net cash flow from / (used in) investing activities (B)</b>		(37779489)		<b>50361839</b>

## KUMAKA INDUSTRIES LIMITED

Name of the Company KUMAKA Industries Ltd  
AS 3.18(b) Cash Flow Statement for the year ended 31 March, 2015

Ref No. GI 3 GN 6.10 GI 4 GN 6.14	Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
		AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)	AMOUNT(RS.)
AS 3.8 AS 3.17	<b>C. Cash flow from financing activities</b>				
	Share application money received / (refunded)/(Reserve Utilised)	(163630023)		83398	
	Proceeds from long-term borrowings	-			
	Repayment of long-term borrowings				
AS 3.22.b	Net increase / (decrease) in working capital borrowings	9684761		(1382026)	
	Proceeds from other short-term borrowings				
	Repayment of other short-term borrowings				
AS 3.30	Finance cost	(12692)		4004	
AS 3.30	Dividends paid				
AS 3.30	Tax on dividend				
		(153957954)		(1294624)	
AS 3.28	Cash flow from extraordinary items	-	(153957954)		(1294624)
	<b>Net cash flow from / (used in) financing activities (C)</b>		(153957954)		(1294624)
	<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		(1354887)		42108836
	Cash and cash equivalents at the beginning of the year		2921642		1310244
AS 3.25	Effect of exchange differences on restatement of foreign currency				
	Cash and cash equivalents				
	<b>Cash and cash equivalents at the end of the year</b>		1566755		43419080
AS 3.42	<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
	Cash and cash equivalents as per Balance Sheet (Refer Note 19)		1566755		2921642
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		57838		974627
	Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		<b>1508917</b>		<b>1947015</b>
	Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		-		
	<b>Cash and cash equivalents at the end of the year *</b>		1566755		2921642
AS 3.42	* Comprises:				
	(a) Cash on hand		1508917		1947015
	(b) Cheques, drafts on hand				
	(c) Balances with banks		57838		974627
	(i) In current accounts				
	(ii) In EEFC accounts				
	(iii) In deposit accounts with original maturity of less than 3 months				
AS 3.45	(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
	(d) Others (specify nature)				
	(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
	<b>Notes:</b>				
	(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
	(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
	<b>See accompanying notes forming part of the financial statements</b>				

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

**(Manoj. B. Majmudar)**  
PROPRIETOR  
Membership. No. 014426

PLACE : VADODARA  
DATE : 11-05-2015

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(Company Secretary)

PLACE : VADODARA  
DATE : 11-05-2015

## KUMAKA INDUSTRIES LIMITED

### ATTENDANCE SLIP

Name of Member : \_\_\_\_\_  
Address of Member : \_\_\_\_\_  
Folio No. : \_\_\_\_\_ No. of Shares : \_\_\_\_\_

I / We hereby record my / our presence at 41st Annual General Meeting of Members of the Company, to be held on 22nd September, 2015 at 2.30 p.m at The Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K.Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400001 Maharashtra.

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

Signature of Shareholder / Proxy

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

## KUMAKA INDUSTRIES LIMITED

Reg. Office : 209, 2nd Floor, Marine Chambers,43, New Marine Lines, Churchgate,Mumbai-400 020.

### PROXY FORM

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

Name of the Members \_\_\_\_\_

Registered Address \_\_\_\_\_

Email ID \_\_\_\_\_ Folio No. \_\_\_\_\_ 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 41st Annual General Meeting of the Company, to be held on 22nd September 2015 at 2.30 p.m at The Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K.Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400001 Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
1. To receive, consider and adopt the Audited Financial Statements for the Financial Year 2014-15.		
2. appoint a Director in place of Mr. Pankaj Manilal Kadakia who is liable to retire by rotation and being eligible offers himself for reappointment		
3. To ratify appointment of Statutory Auditors.		
4. To consider appointment of Mrs. Madhavi Kadakia as a Woman Director		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix Re.1  
Revenue  
Stamp

Signature of shareholder

Signature of shareholder

Signature of shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Note :

1. The proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the "For" or "Against" column blank against any or all resolutions.
3. Your proxy will be entitled to vote in the manner as he/she may deem appropriate at Annual General Meeting of Members of the Company, to be held on 22nd September 2015 at 2.30 p.m. at The Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K.Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400001 Maharashtra or at any adjournment thereof.

**KUMAKA INDUSTRIES LIMITED**

If Undelivered, Please Return To:

**KUMAKA INDUSTRIES LIMITED**

5/B, 5th Floor, Ram Krishna Chambers,  
B.P.C.Road, Alkapuri , Vadodara-390007