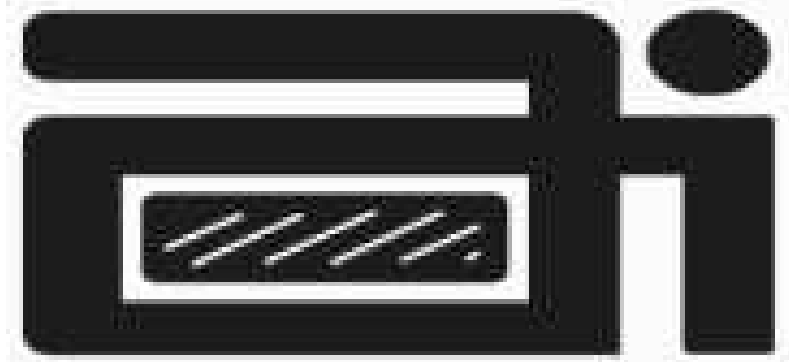


**KUMAKA INDUSTRIES LIMITED**



**KUMAKA**  
**Industries Limited**

**CIN : L99999MH19739LCO16315**

44<sup>th</sup>  
Annual Report  
2017-2018

# KUMAKA INDUSTRIES LIMITED

## IMPORTANT & URGENT FOR YOUR IMMEDIATE ACTION

Date : 28th July, 2018

\_\_\_\_\_(Name of Share Holder)

\_\_\_\_\_(Address)

\_\_\_\_\_  
\_\_\_\_\_

Dear Shareholder(s),

### **Sub : Mandatory updation of PAN and Bank details against your holding**

We would like to inform you that SEBI vide their Circular dtd. 20/04/2018 directed that the Companies/ their RTA shall preserve PAN/Bank Account details of the members holding shares in physical form and if not available, the same must be obtained from them.

#### **ACTION REQUIRED FROM YOU:**

Accordingly you are requested to submit the following immediately on receipt of this letter to enable us to update the records:

- Enclosed format duly filled in and signed by all the shareholders.
- Self-attested copy of PAN Card of all the shareholders
- Cancelled cheque leaf with name (if name is not printed, self-attested copy of the pass book first page) of the Shareholders.
- Address proof (self-attested Aadhaar-card)

In case, if you have any queries or need any assistance in this regard, please contact:

M/s Link Intime India Pvt. Ltd.  
Unit : **KUMAKA INDUSTRIES LIMITED**  
Link Intime India Pvt. Ltd.  
B-102 & 103, Shangrilla Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota,  
Vadodara-390020. Tel. No. : 0265-2356573/679  
Fax No. : 0265-2356791 Email: [alpesh.gandhi@linkintime.co.in](mailto:alpesh.gandhi@linkintime.co.in)

Thanking you,  
Yours faithfully,

For, **KUMAKA INDUSTRIES LIMITED**

Sd/-  
Pankaj M. Kadakia  
(Chairman & Managing Director)

# KUMAKA INDUSTRIES LIMITED

## FORMAT FOR FURNISHING THE PAN AND BANK DETAILS

To  
Link Intime India Pvt. Ltd.  
B-102 & 103, Shangrilla Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota,  
Vadodara-390020.

Dear Sir/Madam,

**Unit : KUMAKA INDUSTRIES LIMITED**

I/We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. **I/we am/are enclosing the self-attested copies of PAN cards of all the shareholders, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updation of the details:**

Folio No.	
Address of the 1st named shareholder as per the share certificate	
Mobile No.	
E-Mail id	

Bank Account Details : (for electronic credit of unpaid dividends and all future dividends, if any)			
Name of the Bank			
Name of the Branch			
Account No. (as appearing in your cheque book)			
Account type (Saving / Current / Cash / Credit)	10 - Saving	11 - Current	13 - Cash Credit
9 Digit MICR No (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification			
11 Digit IFSC Code			

	PAN	Name	Signature
First Holder :			
Joint Holder1 :			
Joint Holder2 :			

Date :  
Place :

**NB : The above details will not be updated if the said documents are not attached and not duly signed by all the shareholder(s).**

# KUMAKA INDUSTRIES LIMITED

Dear Shareholders/Members,

As intimated to all the members in previous two years annual report, we would like to intimate that Companies have now been allowed to send/ serve notice(s) / document(s) / Annual Report(s) and Corporate Communications to their members through electronic mode. Your Company hereby requests all its members who are yet to register their email ID to register same with the Registrar and Transfer Agent and with Company on email-id -secretarial@kumakaindustries.com or through courier in the Format given below.

For environmental protection and saving of printing and courier costs, we encourage you to take advantage of receiving notice(s) / document(s) / Annual Report(s) and other Corporate Communications through the Company's website or through e-mail mode as it is convenient and prompt method of communication for shareholders. It will also help to reduce consumption of the world's natural resources and save printing and courier costs for the Company.

Beside website and e-mail mode of delivery, you would still have the right to change your choice of means of receipt of notice(s) / document(s) / Annual Report(s) and other Corporate Communications at any time by giving request in writing to the Company by email at -secretarial@kumakaindustries.com or the Company's Share Registrars by post for delivery of physical printed copies of notice(s) / document(s) / Annual Report(s) and other Corporate Communications.

I / we agree to receive documents / annual reports/ notices/ financial statements / other corporate communications through email and provide you my /our email address and other details:

## Format for registering e-mail address

To  
Link Intime India Pvt. Ltd  
Tower B, 102B & 103, Shangrila Complex  
1st Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Akota, Vadodara,  
Gujarat 390020

Sub:- Registration of Email Address  
Unit- Kumaka Industries Limited

1.	Name of Shareholder(s)	
2.	Folio No.	
3.	E-mail Address	
4.	Mobile Number	
5.	Address	

I/we hereby declare that the particulars given above are correct and complete. If the communication is delayed or not effected at all for reasons of incomplete or incorrect information or technical snag at the receiving server, I/ we would not hold M/s. Kumaka Industries Limited responsible. I further state that for registering any change in my/our email- address from time to time, I/we will submit an application through the above e-mail address or submit a fresh application form in order to authenticate the request, if I am/we are not able to send such application through the above email address.

\_\_\_\_\_  
Signature of Shareholder(s)  
Folio Number- \_\_\_\_\_



# KUMAKA INDUSTRIES LIMITED

(CIN: L99999MH1973PLC016315)  
(Established on 13-02-1973)

44th Annual Report 2017-18

## CORPORATE INFORMATION

### Board of Directors

**Shri Pankaj Kadakia**  
Chairman & Managing Director

**Dr. Indula Panchal**  
Non Executive Woman Director

**Dr. Niranjan Pandya**  
Non Executive Independent Director

**Dr.Dhananjay Panchal**  
Non Executive Independent Director  
(Resigned w.e.f 23/07/2018)

**Mr.Bharat A Parikh**  
Non –Executive Additional Director  
(Resigned w.e.f 20/07/2018)

**Mr. Shiv Patel**  
Chief Financial Officer

**Mr. Minesh Raval**  
Company Secretary  
(Resigned w.e.f 14/04/2018)

**Auditors:**  
M/s. SCA and Associates.  
Chartered Accountants,

**DR.T.D.Tiwari**  
Non-Executive Additional Director  
(Appointed w.e.f 20/07/2018)

#### **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

#### **Registered Office:**

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

#### **Corporate Office:**

5B,5thFloor, Ram Krishna Chambers, B.P.C.Road, Vadodara-390007  
Tel. No. : 0265-2330019; Fax No. : 0265-2333884  
Website: www.kumakaindustries.com  
E-mail: secretarial@kumakaindustries.com

# KUMAKA INDUSTRIES LIMITED

## NOTICE

Dear Member(s),

NOTICE is hereby given that the 44th Annual General Meeting of the Members of KUMAKA INDUSTRIES LIMITED will be held on Tuesday, 18 September, 2018 at 03:30 PM at: The Electric Merchants Association, Room No. 7 & 12, 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai - 400002, to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Financial Statement consisting of Balance Sheet as at March 31, 2018, the statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2018 along with the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Pankaj M Kadakia (DIN-00166339), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of SCA and Associates, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

### Special Business:

4. To appoint Dr. T.D. Tiwari as an Independent Director.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and Clause 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. T.D.Tiwari (DIN: 08182575), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who was appointed as an additional director pursuant to Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is, hereby appointed as a Non-Executive Independent Director of the Company w.e.f 20th July, 2018 for a period of 5 years.

“**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is, hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to these resolutions.”

5. To consider re-appointment of and remuneration payable to Shri Pankaj Manilal Kadakia as the Managing Director:

To consider and if thought fit to pass the following resolution as **Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 196,197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to the approval of Central Government, if necessary, SHRI PANKAJ MANILAL KADAKIA (DIN: 00166339) be and is, hereby re-appointed as Managing Director of the Company for a period of three years w.e.f. 27th February, 2019 on the terms and conditions as set out in the Draft Agreement including remuneration as approved by the Nomination & Remuneration Committee.”

“**FURTHER RESOLVED THAT** the Board of Directors will have liberty to alter and/or vary the terms and conditions of the reappointment, including the terms of his remuneration, which shall not exceed the limits specified in Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactment(s) thereof, as may be agreed to between the Board of Directors and SHRI PANKAJ MANILAL KADAKIA.”

“**FURTHER RESOLVED THAT** in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration.”

Date: 28<sup>th</sup> July, 2018  
Place: Mumbai

By the Order of the Board,  
For Kumaka Industries Ltd.

Mr. Pankaj M. Kadakia  
Chairman & Managing Director

# KUMAKA INDUSTRIES LIMITED

## 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) Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- (iii) Members desiring any information with regard to Accounts / Reports are requested to write to the Company at least ten days before the meeting to enable the Management to keep the information ready 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, 11th September, 2018 to Tuesday, 18th September, 2018 (both days inclusive) for the Annual General Meeting.

### 3. CUT OFF DATE:

- (i) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Tuesday September 11th, 2018 (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 17th July, 2018, whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same and also to

the auditors and directors of the Company. For members who have not registered their email addresses, physical copies of the abridged annual report along with aforesaid documents are being sent by the permitted mode.

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

### 5. VOTING BY MEMBERS

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

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

#### (I) Voting through Electronic Means

In compliance with Section 108 of the Companies Act 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended vide Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice

# KUMAKA INDUSTRIES LIMITED

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 (India) (CDSL) for the purpose of providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

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

- (i) The voting period begins on 15th September, 2018 at 09:00 AM and ends on 17th September, 2018 at 05:00 PM. During this period shareholders of the Company, as on the cut-off date (record date) of 11th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
--	--

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Kumaka Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (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 Login 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) Shareholders can also use Mobile app –"m-Voting" for e voting. m-voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m-voting using their e voting credentials to vote for the company resolution(s).
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to

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

# KUMAKA INDUSTRIES LIMITED

helpdesk.evoting@cdslindia.com

- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to 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.
- (xx) 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.
- (xxi) Any person, who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and hold shares as of the Cut-off date i.e. Tuesday September 11th, 2018, may obtain Log-Id and Password by sending a request at helpdesk.evoting@cdslindia.com by mentioning his/her folio no. However, if you are already registered with CDSL for e-voting, then the person can use his/her existing user-id and password for casting votes. A person who is not a member as on the Cut-Off date should treat this notice fully for information purpose.

## 6. SCRUTINIZER

- (i) M/s. Mr. Devesh A. Pathak Practicing Company Secretary having consented to act as a scrutinizer has been appointed as scrutinizer (“Scrutinizer”) for scrutinizing the voting process (Poll Paper) as well as Remote E-voting) in a fair and transparent manner.
- (ii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unlock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

## 7. DECLARATION OF RESULTS

The Result of voting (Remote E-voting and the voting at the AGM) on the resolutions shall be declared within 2 days from the date of AGM by the Chairman or any person authorized by him for this purpose. The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.kumakaindustries.com](http://www.kumakaindustries.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com)., immediately after the result is declared and simultaneously communicated to the Bombay Stock Exchange.

## 8. NOMINATION

Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 or any statutory re-enactment thereof, are requested to submit the request in prescribed form SH-13 to the RTA.

## 9. EXPLANATORY STATEMENT AND ADDITIONAL INFORMATION

- (i) The Statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

## 10. OTHER INFORMATION

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

# KUMAKA INDUSTRIES LIMITED

**Date : 28th July,2018**

**Place : Mumbai**

By order of the Board

For Kumaka Industries Limited

Mr.Pankaj M Kadakia  
Chairman and Managing Director

**Registered Office : - 404, Sharda Chambers,  
33, Sir Vithaldas Thakersey Marg,  
New Marine Lines, Mumbai-400020.**

## **Map Location of Annual General Meeting Venue**



# KUMAKA INDUSTRIES LIMITED

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

### ITEM-4

The Board of Directors, in terms of the recommendation of Nomination and Remuneration Committee approved the appointment of Dr. T.D. Tiwari at its meeting held on 17th July, 2018 for the period of 5 years as a Non-Executive Independent Director w.e.f 20th July, 2018.

The brief resume of Dr. Tiwari with other details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Annexure to this notice. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as a Non-Executive Independent Director of the Company and is independent of the management. The copy of the draft letter for his appointment as a Non-Executive Independent Director would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays, Sundays and Public Holidays up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail his services as a Non-Executive Independent Director. Accordingly, your Directors recommend and seek your approval to the resolution as appearing in item no. 4 of the accompanying notice by way of Ordinary Resolution. The Company has received the proposal for appointment/reappointment as a Director as per applicable rules and regulations.

Dr. Tiwari does not hold any Equity Shares of the Company.

None of the other Directors/Key Managerial Personnel(s) and their relatives, except Dr. Tiwari shall be deemed to be interested or concerned financially or otherwise in the resolution.

### ITEM -5

Mr. Pankaj M. Kadakia is B.S. from Bombay University and M.S. (polymer materials) from Polytechnic Institute Brooklyn, New York. He possesses rich, wide and varied business experience of about 40 years in the Chemical Industry. He has been associated with the Company in the capacity of the Director since 26th June, 1974.

Considering his educational background, business acumen, rich experience, valuable contributions provided to the Company and his future contributions and services required by the Company for its betterment, your Directors have thought fit to reappoint Mr. Pankaj M. Kadakia as the Managing Director with effect from 27th February, 2019 for a period of 3 years, at a remuneration as approved by Nomination and Remuneration committee at its meeting held on 17th July, 2018 subject to the approval of the Shareholders in general meeting and such other approvals, if any, upon the major terms and condition as enumerated below, in terms of Section 196, 197, 203 and any other applicable provisions if any, read with Schedule V of the Companies Act, 2013.

Major terms of the reappointment of Mr. Pankaj M. Kadakia as the Managing Director of the Company:

- 1) **Tenure** : 3 years from 27th February, 2019 to 26th February, 2022.
- 2) **Nature of duties** : The Managing Director shall devote his whole time and attention to the Business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the Business of the Company.
- 3) **Remuneration** : Consolidated Salary Rs. 1,00,000/- per month in the grade of Rs.1,00,000- Rs.10,000-Rs.1,10,000-Rs.15,000-Rs.1,25,000  
Annual Increments which will be effective 1st April, each year, will be decided by the Board based on the recommendations from Nomination and Remuneration Committee ("NRC") or by NRC on authority of the Board.

#### Other allowances:

- i. Provision of chauffeur driven car for Company's business will not be considered as perquisite. Use of car for private purpose shall be billed by the Company.
- ii. Provision of Telephone at residence of the Managing Director and a Mobile Phone for his use not to be considered as perquisites.
- iii. Personal long distance calls on telephone shall be billed by the Company.
- iv. Entitlement to Annual Privilege leave on full salary for 30 days shall be allowed to be accumulated up to 90 days.
- v. Reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company and traveling hotel & other expenses incurred by the Managing Director in India and abroad exclusively on the business of the Company in accordance with its rules and regulations, from time to time.

# KUMAKA INDUSTRIES LIMITED

- vi. In the event of inadequacy or absence of profits, the Company shall pay to Shri. Pankaj Manilal Kadakia the above remuneration as minimum remuneration but not exceeding the limits specified under Schedule V of the Companies Act, 2013 or such other limits as may be specified by the Central Govt. from time to time as minimum remuneration.
- vii. No payment of sitting fees shall be made to the Managing Director, for attending of Meetings of the Board of Directors or Committee thereof.

**4). Other Terms and Conditions:**

- i. The Company shall be entitled to forthwith terminate the agreement if the Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
- ii. The terms and conditions including the remuneration payable to the Managing Director of the said reappointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit provided the same shall not exceed the limits set out in the said Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment(s) thereof for the time being in force.
- iii. Notwithstanding anything to the contrary contained therein, the Agreement, at anytime, may be terminated by either party giving 90 days' notice in writing to that effect, to the other party.

A copy of the draft agreement will be available for inspection to the members of the Company between 11:00 a.m. to 1:00 p.m on all the working days except Saturdays and Sundays upto the date of Annual General Meeting.

Your Directors recommend and seek your approval to the resolution as set out in item no. 5 of the accompanying notice by way of Special Resolution.

Except, Shri Pankaj M. Kadakia, no other Director/Key Managerial Personnel or their relatives shall be deemed to be concerned or interested, financially or otherwise In the resolution.

**Statement in compliance with Clause no. iv of sub paragraph B, Section II, of part II of Schedule V of the Companies Act, 2013**

**GENERAL INFORMATION**

Nature of Industry	:	Mineral water
Date or expected date of Commencement of commercial Production Company	:	Already commenced
In case of new Companies, Expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N.A.
Financial performance based on Given indicator		
Net Profit/(Loss)	:	(Rs 172.57 lakhs)
Effective Capital	:	Rs. 1931.43 lakhs
Total Income	:	Rs. 6.23 lakhs
Foreign investments or Collaborations, if any	:	N.A.

<b>INFORMATION ABOUT THE APPOINTEES :</b>		
Sr.No.	Name of Directors	
1.	Background details	Mr. Pankaj Kadakia Exposure of around 40 years
2.	Past remuneration	Rs. 1,00,000 p.m.
3.	Recognition or awards	N.A.
4.	Job profile and his sustainability	1. Chairman and Managing Director 2. Suitable in view of his contribution
5.	Remuneration proposed	Rs. 1,00,000 p.m
6.	Comparative remuneration	Not available
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	No pecuniary relationship except remuneration



# KUMAKA INDUSTRIES LIMITED

## OTHER INFORMATION

1. Reasons of loss or inadequate profit	Steep competition
2. Steps taken or proposed to be taken for improvement	The Company proposes to commission food processing plant
3. Expected increase in productivity and profits in measurable terms	Not measurable

## DISCLOSURES:

**The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:**

1. All elements of remuneration package	As detailed in the explanatory statement
2. Details of fixed component and performance linked incentives along with the performance criteria.	As detailed in the explanatory statement
3. Service contracts, notice period, severance fees	(i)service contracts for 3 years (ii)Notice period : 3 months (iii)No severance fees
4. Stock option details, if any	N.A.

## INFORMATION ABOUT THE APPOINTEE

**Pursuant to Clause 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As per Part II, Section II, Para B, item (iv), (II) of Schedule V)**

Name of Directors	Mr. Pankaj Kadakia	Dr. T.D. Tiwari
(A)Nationality	Indian	Indian
Date of Birth	16/09/1950	01/01/1958
Date of Appointment	12/07/2014	20/07/2018
Experience (Yrs.)	40 years	35 Years
(B) Expertise in specific functional areas	Execution of various projects of the Company successfully and their marketing and financial management	Management
Qualification	M.S (polymer materials) from polytechnic institute of Brooklyn, Newyork, USA. BS (Chemical Engineering) B.SC.,(Chemistry) from Bombay University	B.A., M.A., M.Com., M.B.A., Doctorate of Philosophy (Ph.D)
Directorship held in other Listed entity	Nil	Nil
Membership held in Board Committees of other Listed entities	Nil	Nil
No. of Equity Shares held in the Company	2829450	Nil
(C) Disclosure of Relationship interest	Director	Not related

**By order of the Board**

**Mr. Pankaj M. Kadakia  
Chairman & Managing Director**

**Registered Office :-**

404, Sharda Chambers, 33, New Marine Lines, Thakersey Marg, New Marine Lines, Mumbai-400020.

**Corporate Office :-**

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

Tel. No. : 0265-2330019 Fax No. 0265-2333884

Web Site : [www.kumarkaindustries.com](http://www.kumarkaindustries.com)

E m a i : [secretarial@kumarkaindustries.com](mailto:secretarial@kumarkaindustries.com)

# KUMAKA INDUSTRIES LIMITED

## BOARD'S REPORT

To,  
The Members,  
Kumaka Industries Limited.

Your Directors are pleased to present the 44th Annual Report on the business and operations of the Company and the Audited financial statement for the Year ended 31st March, 2018.

### 1. Highlights of performance :

Following figures summarize the financial performance of the Company for the year 2017-2018 Financial Results:

#### Financial Results :

Amount In Lacs.

Particulars	31.03.2018	31.03.2017
Gross total Income	6.23	55.89
Profit / (Loss) before Finance Cost,		
Depreciation and Taxes		
(Less): Finance Cost	(2.92)	(0.30)
(Less): Depreciation	(3.92)	(13.94)
(Less): Tax	-	
(Less): Extraordinary/Exceptional Items	(100.32)	(44.89)
Net Profit / (Loss) after Tax carried to Balance Sheet	(172.57)	(45.52)

### 2. Dividend

In view of carried forward loss, your directors do not recommend any Dividend for the year under review

### 3. Appropriation of Reserves

The Company is not required to transfer any amount to reserve. Accordingly, no amount is transferred to any reserve. Especially in view of losses.

### 4. Share Capital

There was no change in the share capital during the year under review and the paid up Equity Share Capital as on 31st March, 2018 was Rs. 12.085 Crores.

However, the Equity shares of the Company stand suspended at BSE Ltd. And the Company has submitted petition to the Hon'ble High Court of Bombay under Section 391 to 394 of Companies Act, 1956 in respect of reduction of capital. The same is transferred to Hon'ble National Company Law Tribunal, Mumbai Bench and is pending under Section 230-231 of the Companies Act, 2013

### 5. Company's Performance / State of Company's Affairs

The Company earned Gross Total Income of Rs.6.23 Lacs for the year under review as against Rs.55.89 Lacs for the financial year 2017-18. After providing finance cost, depreciation and tax, Net Loss of the Company is Rs. 172.57Lacs compared with Loss of Rs 45.53 Lacs of the previous year.

#### Future Prospects:

Your Company is in process of commissioning a

food processing plant at Chittoor (Andhra Pradesh). Already Your Company has signed MOU with Andhra Pradesh Government and has also booked land at Chittoor (A.P).

### 6. Subsidiary Companies

The Company has no subsidiary company as on March 31, 2018. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

### 7. Directors' Responsibility Statement

- That in the preparation of the annual financial statements for the year ended March 31, 2018, 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, 2018 and of the profit and Loss 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 and applying IND-AS.
- Those proper internal financial controls were in

place and that the financial controls were adequate and were operating effectively.

- f) Those systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**8. Deposits**

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

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

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

Ms. Ankita Gupta was appointed as COMPANY SECRETARY of the Company W.e.f 12/07/2017 and Resigned w.e.f 16/09/2017.

Subsequently, Mr. Minesh Raval was appointed as a Company Secretary w.e.f 09/03/2018

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

Mr. Bharat A Parikh has been appointed as additional director of the Company W.e.f. 28/04/2018.

Mr. Minesh Raval resigned as Company Secretary of the Company w.e.f 14/04/2018.

Dr.T.D.Tiwari was appointed as additional director w.e.f 20/07/2018.

Mr. Bharat A Parikh resigned as additional Independent director of the Company w.e.f 20/07/2018.

Dr. Dhananjay Panchal resigned as Independent Director of the Company w.e.f 23/07/2018.

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

Nine Meetings of Board of Director were held during the year on 16/05/2017,30/05/2017,12/07/2017,05/08/2017,02/12/2017,13/12/2017,03/02/2018,13/02/2018 and 09/03/2018.For details of meetings of the Board please refer to the Corporate Governance Report, which forms part of the Board's' Report.

**11. Board Evaluation**

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

The performance of the Board was evaluated by the Board after seeking inputs from all the direc-

tors 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 stated in the Corporate Governance Report, which forms part of the Board's 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**

Companies with human resources relations continued to be harmonious and cordial during the year under review.

**15. Auditors  
(1) Statutory Auditors:**

M/s. Prakash Muni & Associates, Chartered Accountants were appointed as Statutory Auditors at the last AGM of the Company. During the year statutory auditors of the Company M/s. Prakash Muni & Associates, Chartered Accountants merged their Chartered Accountants firm with another Chartered Accountants firm namely SCA And Associates and hence board during the year pursuant to resolution passed at last AGM passed a resolu-

tion at their meeting stating that the company's Statutory Auditor name stands changed to SCA And Associates on the same Terms and Conditions mentioned in resolution on last AGM.

## (2) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company appointed Devesh Vimal & CO. Practising Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. The Secretarial Audit Report is annexed as **Annexure – 1**. The Secretarial Audit Report for the financial year ended March 31, 2018 contains observations. Directors' reply on the Auditor's comment is follows:

### Explanation for observations:-

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

## 16. Management Discussion & Analysis

Your Company is in process of commissioning food processing plant at Chittor (Andhra Pradesh). Your Company has already signed MOU with Andhra Pradesh Government and has also booked land at Chittor (A.P).

### Opportunities, Threats, Risk and Concerns

Looking at the increasing export of fruits, vegetables and sea food, your Company sees great opportunities ahead through the proposed food processing of those products.

### Segment wise performance

The Company doesn't have any functional segment right now. The Company is in process to establish a food processing plant.

### Financial Performance

A summary of the financial performance vis-à-vis operational performance is disclosed in Board's Report.

### Internal Control Systems and Adequacy

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

are discussed with the Audit committee of the Board.

### Cautionary Statement:

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

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

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

## 18. Risk Management:

The Board of the Company has formed a Risk Management Committee. The Committee is responsible for reviewing, implementing and monitoring the risk management plans and ensuring its effectiveness.

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

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

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

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

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

## 21. CSR

The Company does not fall in any of the criteria as set out in Section 135(1) of the Act and accordingly Company is not required to comply with the same In respect of Corporate Social Responsibility.

## 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

# KUMAKA INDUSTRIES LIMITED

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 if any and recommend appropriate actions.

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

**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 as well as operations of the Company in future.

**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 2017-18.

**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:**

**Registered Office :-**

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

Date : 28<sup>th</sup> July, 2018

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and the Listing Regulations all the independent directors have given declarations of independence in the first board meeting of the current financial year.

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

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

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

**A) Conservation of Energy:**

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

**B) Technology absorption:**

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

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

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

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

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

**30. Statement on compliances of applicable Secretarial standards.**

In terms of clause no. 9 of Revised SS-1 (Revised Secretarial Standards on meetings of Board of Directors effective from 01.20.2017), your Directors state that the Company is compliant of applicable Secretarial Standards during the year under review.

**31. 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,**

**Mr. Pankaj Kadakia  
Chairman & Managing Director**

**(DIN-00166339)**

# KUMAKA INDUSTRIES LIMITED

## Annexure- 1

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,  
The Members,  
**KUMAKA INDUSTRIES LIMITED.**  
404 Sharda Chambers,  
33, New Marine Line,  
Churchgate,  
Mumbai – 400020.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the KUMAKA INDUSTRIES LIMITED'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, we further report that the Company has complied with the following laws applicable specifically to the Company:
  - 1. The Environment (Protection) Act, 1986
  - 2. The Air (Prevention And Control of Pollution) Act, 1981
  - 3. The Water (Prevention and Control of Pollution) Act, 1974We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Listing Agreements entered into by the Company with BSE Ltd. Including The Securities and Exchange Board of

## KUMAKA INDUSTRIES LIMITED

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

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

- a) Equity shares of the Company stand suspended with the BSE Ltd. due to penal reasons. In this matter, the petition has been submitted by the Company to the Hon'ble High Court of Bombay under Section 391 to 394 of the Companies act, 1956. Thereafter the same is transferred to Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') and is pending vide No.CSP-190(MB)/2017 under Section 230-231 of the Companies Act, 2013.
- b) Entire shareholding of the promoters is required to be held in demat form pursuant to Regulation 31(2) of LODR. However, the same is in physical format as informed to us, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.
- c) Minimum public shareholding shall be at least 25% pursuant to Regulation 38 of LODR read with Rule 19(2) and Rule 19A of the Securities Contract (Regulation) Rules, 1957. However, public shareholding has remained only 12.44% during the year under review. As informed to us, the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.
- d) Publication of notice of dates of meeting where financial results are discussed as well as publication of financial results in two newspapers pursuant to Regulation 47(1) of LODR have not been made during the year, to avoid additional financial burden on the Company.

We 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.

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

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

We further report (by way of information) that during the audit period:

- (a) The Company has not issued any securities during the period under review and accordingly
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008were not applicable during the audit period.
- (b) The Company has neither got delisted Equity Shares nor bought back any security of the Company and accordingly
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998were not applicable during the audit period.
- (c) E form MGT-14 along with Board resolution in respect of approval to the draft Board's report for the year ended 31st March, 2015 was inadvertently missed out to be filed leading to non-filing of form within 300 days of approval. Thereafter on application being made by the Company to the Central Government in the E/ Form CG -1 for the Condonation of delay, Central Government approved the condonation of delay vide its order bearing file no.09/01/2017 CL.V dtd 22nd September 2017. Thereafter the Company has filed the said MGT-14 during the year.
- (d) The Company has not paid Annual Listing Fees for the year 2017-18, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.

Place: Vadodara  
Date: 17th July, 2018

For, Devesh Vimal & Co.  
Practising Company Secretaries

CS Devesh A. Pathak  
Partner  
FCS No.4559  
CP No.: 2306

Note: This report is to be read with our letter of even date which is enclosed as forming integral part of this report.

# KUMAKA INDUSTRIES LIMITED

17th July, 2018

To,  
The Members,  
Kumaka Industries Limited,  
404 Sharda Chambers,  
33, New Marine Lines,  
Churchgate,  
Mumbai - 400020.

Ref: Secretarial Audit Report dated 17th July, 2018 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.

Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.

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 procedures on test basis.

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 Devesh Vimal & Co.  
Practising Company Secretaries

CS Devesh A. Pathak  
Partner  
FCS No. 4559  
CP No.: 2306



# KUMAKA INDUSTRIES LIMITED

## Annexure- 2 Form No. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for 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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a.	Name (s) of the related party & nature of relationship	Shri Manilal Harilal Kadakia Charitable Trust
b.	Nature of contracts/arrangements/transaction	1. Purchase of Fixed Asset 2. Sales
c.	Duration of the contracts/arrangements/transaction	-
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e.	Date of approval by the Board	N.A.
f.	Amount paid as advances, if any	As Given in balance sheet.

# KUMAKA INDUSTRIES LIMITED

## Annexure -3

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

**as on the Financial Year Ended on 31st March, 2018 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	Manufacture of Mineral Water
5	Address of the Registered Office and contact details	404, Sharda Chambers, 33, Sir Vithaldas Thakersey Marg, New Marine lines, Mumbai-400020.
6	Whether listed company	Yes
7	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Link Intime Pvt. Ltd. B-102 & 103, Shangrilla Complex, First floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara-390020. Phone No:0265-2356573/6794 Fax No:0265-2356791

#### 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.	Manufacture of Mineral Water	11043	100

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

The Company has no subsidiary Company as on March 31, 2018. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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

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

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(A) Promoters									
(1) Indian									
a) Individual/HUF	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks/FI									
f) Any Other..									
Sub-total (A) (1):-	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
(2) Foreign									
a) NRIs- Individuals									
b) Other - Individuals									

## KUMAKA INDUSTRIES LIMITED

c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	
Total share holding of Promoter (A) = (A)(1)+(A)( 2)	NIL	10582150	10582150	87.56%	NIL	10582150	10582150	87.56%	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	10200	10200	0.09%	NIL	10200	10200	0.09%	NIL
b) Banks/FI	NIL	100	100	NEGLIGIBLE	NIL	100	100	NEGLIGIBLE	NIL
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	NIL	10300	10300	0.09%	NIL	10300	10300	0.09%	NIL
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	NIL	67150	67150	0.55%	NIL	67150	67150	0.55%	NIL
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	NIL	1301225	1301225	10.77%	NIL	1301225	1301225	10.77%	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	124800	124800	1.03%	NIL	124800	124800	1.03%	NIL
c) Others (specify)									
<b>Sub-total (B)(2):-</b>	NIL	1493175	1493175	12.35%	NIL	1493175	1493175	12.35%	NIL
Total Public Shareholding (B) = (B)(1) + (B)(2)	NIL	1503475	1503475	12.44%	NIL	1503475	1503475	12.44%	NIL
<b>TOTAL (A)+(B)</b>	NIL	12085625	12085625	100%	NIL	12085625	12085625	100%	NIL
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	NIL	12085625	12085625	100%	NIL	12085625	12085625	100%	NIL

# KUMAKA INDUSTRIES LIMITED

## (ii) Shareholding of Promoters

Sl No.	Share Holders Name	Shareholding at the beginning of the year			Shareholding 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 the Company	% of total Shares of encumbered to total Shares	% of Shares pledged/	
-	-							
1	Shri Pankaj M. Kadakia	28, 29,450	23.41	0	28, 29,450	23.41	0	0
2	Shri S P Kadakia	29, 23,250	24.19	0	29, 23,250	24.19	0	0
3	Smt MP Kadakia	39, 07,850	32.33	0	39, 07,850	32.33	0	0
4	N P Kadakia	9,11,600	7.54	0	9,11,600	7.54	0	0
5	Niraj V Desai	10,000	0.08	0	10,000	0.08	0	0

## (iii) 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 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>

## (iv) 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
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

## KUMAKA INDUSTRIES LIMITED

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 of Directors and Key Managerial Personnel:**

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

**V. Indebtedness: The Company has no debt as on 31st March, 2018.**

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

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

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
		Shri Pankaj Kadakia	
1.	Gross salary	12,00,000	12,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		

## KUMAKA INDUSTRIES LIMITED

- as % of profit - others, specify...		
5. Others, please specify		
Total (A)	12,00,000	12,00,000
Ceiling as per the Act		

### B. Remuneration to other directors:

Sl.	Particulars of Remuneration	Name of Other Director			Total Amount
		Dr.Indula Panchal	Dr.Niranjan Pandya	Dr.Dhananjay Panchal	
<b>1.INDEPENDENT DIRECTORS</b>					
	• Fee for attending				
	1. Board Meetings -	-	22500	7500	30000
	2. Committee Meetings				
	I) Audit committee -	-	4000	1500	5500
	II) Nomination and Remuneration committee	-	2000	500	2500
	III) Stakeholders' Relationship committee	-	-	-	-
	• Commission	-	-	-	-
	• Others (perquisites)	-	-	-	-
	Total (1)	-	28500	9500	38000
<b>2.. OTHER NON-EXECUTIVE DIRECTORS</b>					
	• Fee for attending				
	3. Board Meetings	7500	-	-	7500
	4. Committee Meetings				
	IV) Audit committee	-	-	-	-
	V) Nomination and Remuneration committee	-	-	-	-
	VI) Stakeholders' Relationship committee	-	-	-	-
	• Commission -	-	-	-	-
	• Others (perquisites)	-	-	-	-
	Total (2)	7500	-	-	-
	Total (B) = (1 + 2)	7500	-	-	-
	Total Managerial Remuneration	7500	28500	9500	45500
	Overall Ceiling as per the Act				

### C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	25600/-	184106/-	209706/-
2.	Stock Option				
3.	Sweat Equity Commission - as % of profit - others, specify...				
4.	Others, please specify				
	Total	-	25600/-	184106/-	209706/-

# KUMAKA INDUSTRIES LIMITED

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

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018.

**For and Behalf of Board of Directors**

**Mr. Pankaj Kadakia**

**Chairman and Managing Director**

**(DIN-00166339)**

# KUMAKA INDUSTRIES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy

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

### 1. Board of Directors

The Board of Directors as at 31st March, 2018 is comprised of Four Directors with the Chairman & Managing Director as well as on woman non executive director and Two Independent Non-Executive Directors. The Composition of the Board is in conformity with Rule 17 of the SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act, 2013.

During the year, Nine Board Meetings were held on 16/05/2017, 30/05/2017, 12/07/2017, 05/08/2017, 02/12/2017, 13/12/2017, 03/02/2018, 13/02/2018 and 09/03/2018.

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, 2018 have been made by the directors.

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

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

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

The familiarization program for directors has been disclosed on the website of the Company – [www.kumakaindustries.com](http://www.kumakaindustries.com)

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

Name of Directors	Category of Directors	No. of Board Meetings Attended during 2017-18		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	
		Held	Attended		Chair man	Member	Chair Men	Member
Shri Pankaj Kadakia DIN 00166339	Chairman & Managing Director	9	9	Yes	-----	-----	-----	-----
Dr. Niranjana Pandya DIN 00385689	Non-Executive Independent	9	9	No	-----	-----	-----	-----
Dr. Dhananjay Panchal DIN 00385689	Non-Executive Independent	9	3	Yes	-----	-----	-----	-----
Dr. Indula Panchal DIN 06457903	Non-Executive woman	9	3	Yes	-----	-----	-----	-----

### Shareholding of Directors:

Name of Directors	No. of Shares	% of the Capital
Shri Pankaj M. Kadakia	28, 29,450	23.41
Dr. Niranjana M Pandya	100	0.0008
Dr. Dhananjay Panchal	900	0.0066
Dr. Indula panchal	900	0.0066



# KUMAKA INDUSTRIES LIMITED

## COMMITTEES OF THE BOARD:

### 1. Audit Committee:

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

#### Terms of reference:

- The terms of reference of the Audit & Risk Management Committee are aligned with the terms of reference provided under Section 177(4) of the Companies Act, 2013 and provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The Committee is consisted of two Independent Directors and 1 Executive Director viz. Dr. Niranjana M. Pandya, Dr. Dhananjay I. Panchal and Mr. Pankaj Kadakia with Dr. Niranjana Pandya, as the Chairman. The Committee met on 30/05/2017, 12/07/2017, 05/08/2017, 02/12/2017, 13/12/2017, 03/02/2018, 13/02/2018 and 09/03/2018.

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

Name of Members	Status Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	8	8
Dr. Dhananjay Panchal	Member	8	3
Mr. Pankaj Kadakia	Member	8	8

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

### 2. Nomination and Remunerations Committee:

The Committee consists of two Independent Directors viz. Dr. Dhananjay Panchal and Dr. Niranjana M. Pandya with Dr. Niranjana Pandya, as the Chairman and Mr. Pankaj M Kadakia as third member.

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

Name of Members	Status Meetings		
	Category of Director	Held	Attended
Dr. Niranjana M. Pandya	Chairman	4	4
Dr. Dhananjay Panchal	Member	4	1
Mr. Pankaj Kadakia	Member	4	4

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

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

The remuneration of Chairman & Managing Director is approved by the Board within the overall limit fixed under the law. No other Director is paid any remuneration.

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

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

# KUMAKA INDUSTRIES LIMITED

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

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

## Remuneration Policy:

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

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

Dr. Niranjana Pandya is the Chairman of the Committee.

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

## Non Executive Directors are paid sitting fees of Rs.2500/- and Rs.500/- respectively for attending every Board Meeting and Committee Meetings.

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

For the year ended 31st March, 2018, Mr. Pankaj Kadakia, the Chairman & Managing Director were to receive remuneration of Rs. 1,00,000/- P.M.

## 3. Stakeholders' Relationship Committee

The Committee consisted of two Independent Directors viz Dr. Niranjana M. Pandya and, with Dr. Dhananjay Panchal, as the Chairman. Mr. Pankaj Kadakia as member of the committee.

One Meeting was held on 30-05-2017 which was attended by all the members.

The Committee, inter alia, oversees and reviews all matters connected with the shares of the Company and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

As on 31.03.2018, there was only one (01) Investor Grievances remaining pending/ unresolved with ATR filed for same, which was disposed off as on the date of approval of the report and no complaint is pending.

## 4. Independent Directors' Meeting

One separate meeting of Independent Directors was held on 17/07/2018 with all the Independent Director present at the meeting. Independent Directors at their meeting discussed following matters in relation to FY-2017-18:-

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

## 4. General Body Meetings

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

Date	Time	Place	Special Resolution
18-09-2017 & Adjourned on	10.00PM	The Electric Merchants Association, Room No.7 & 12, 2nd Floor, Shreeji Bhuvan, 51	NO Special Resolution
25-09-2017	10.00PM	Mangaldas Lane, Lohar Chawl, Mumbai-400002	

# KUMAKA INDUSTRIES LIMITED

20-09-2016	3.00PM	The Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12, K. Dubhash Marg, Near Kala Ghoda, Fort, Mumbai - 400 001.	(i) To approve related party transaction between M/s Kumaka Industries Limited And M/s. Pinnacule Therapeutics Private Limited.
22-09-2015	2:30 p.m.	The Maharashtra Chambers of Commerce, Industry and Agriculture (MACCIA), Oricon House, 6th Floor, 12, K Dubhas Marg, Near Kala Ghoda, Fort, Mumbai-400001.	NO Special Resolution

B. During the year Company has not exercised Postal Ballot.

**Disclosures:**

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

**5.1 Compliance of Mandatory Requirements:**

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

**5.2 Compliance of Non Mandatory Requirements:**

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

**5.3 Code of Conduct:**

The Board of Directors of the Company has adopted Code of Conduct for all Board Members of the Company and Senior Management. The Board members have affirmed compliance to the Code of Conduct. The Company has been posting on its website, the Code of Conduct adopted by its Directors.

**6. Means of Communication:**

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

**7. General Shareholder Information:**

**(a) 44th Annual General Meeting**

- |                                 |   |   |
|---------------------------------|---|---|
| Date and Time                   | : | 18th September, 2018 at 03.30 P.M.  |
| Venue                           | : | The Electric Merchants Association, Room No.7 & 12, 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai- 400002   |
| (b) Financial Year              | : | Year ended March 31, 2018   |
| (c) Dates of Book Closure       | : | From Monday, 11th September, 2018 to Monday, 18th September, 2018 (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 of no trading of shares taken place during the year under review.                       |
| (h) Registrar & Transfer Agents | : | B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radha Krishna Char Rasta, Akota, Vadodara - 390 020<br>Phone No.: 0265-2356573 – 2356794. Fax No. 0265-2356794.<br>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, 2018

No of Shares	No. Of Share Holders	% of Share-holders	No. of Shares Held	% of Total Shareholders
Up to 500	9,621	97.73	10,33,250	8.55
501 to 1000	136	1.38	1,04,875	0.87
1001 to 2000	46	0.47	66,675	0.55
2001 to 3000	19	0.19	48,725	0.40
3001 to 4000	5	0.05	18,700	0.16
4001 to 5000	7	0.07	31,900	0.26
5001 to 10000	6	0.06	53,500	0.44
10001 & above	05	0.05	1,07,28,000	88.77
<b>Total</b>	<b>9845</b>	<b>100.000</b>	<b>1,20,85,625</b>	<b>100.00</b>

**(ii) Shareholding Pattern as on 31st March, 2018 :**

Category	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	negligible
4. Other Corporate Bodies	67,150	0.56
5. Indian Public	14,26,025	11.80
<b>TOTAL</b>	<b>1,20,85,625</b>	<b>100.00</b>

- (j) Outstanding GDRs / ADRs Warranty : Not Applicable
- (m) Plants Location : Company is in the process of commissioning food processing plant.
- (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  
 OR  
**Kumaka Industries Limited**  
 Corporate Office of the Company at 5th Floor,  
 Ram Krishna Chambers,BPC Road, Vadodara -390007.

For and Behalf of the Board of Directors,

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

# KUMAKA INDUSTRIES LIMITED

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

To,  
**Board of Directors, Members, Shareholders,  
Kumaka Industries Limited.**

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 31<sup>st</sup> March, 2018, 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 : 27<sup>th</sup>, April, 2018

For, Kumaka Industries Limited

Place : Vadodara

Mr. Pankaj M. Kadakia  
Chairman & Managing Director

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

TO  
Board of Directors  
Kumaka Industries Limited

We Hereby Certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018, and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For, Kumaka Industries Limited

Date: 27<sup>th</sup>, April, 2018

Place: Vadodara

Mr. Pankaj M Kadakia  
Chairman & Managing Director

Mr. Shiv Patel  
CFO

# KUMAKA INDUSTRIES LIMITED

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
KUMAKA INDUSTRIES LIMITED  
Mumbai.

We have examined the compliance of conditions of Corporate Governance of KUMAKA INDUSTRIES LIMITED ("the Company") for the year ended March 31, 2018, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2018 as applicable subject to following observations:

- a) Equity shares of the Company stand suspended with the BSE Ltd. due to penal reasons and as informed by the Company to us in view of the non compliance of the provisions of section 100 of the Companies Act, 1956 pertaining to reduction of share capital. In this matter, the petition has been submitted by the Company to the Hon'ble High Court of Bombay under section 391 to 394 of the Companies act, 1956. Thereafter, the same is transferred to Hon'ble National Company Law Tribunal Mumbai Bench ("Hon'ble NCLT") and is pending vide No.CSP-190(MB)/2017 under section 230-231 of the Companies Act, 2013.
- b) Entire shareholding of the promoters is required to be held in demat form pursuant to regulation 31(2) of LODR. However, the same is in physical format as informed to us, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.
- c) Minimum public shareholding shall be at least 25% pursuant to Regulation 38 of LODR read with Rule 19(2) and rule 19A of the Securities Contract (Regulation) Rules, 1957. However, public shareholding has remained only 12.44% during the year under review. As informed to us, the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.
- d) Publication of notice of dates of meeting where financial results are discussed as well as publication of financial results in two newspapers pursuant to regulation 47(1) of LODR have not been made during the year.
- e) The Company has not paid Annual listing fees for the year 2017-18 as required pursuant to regulation 14 of LODR, since the Company is still awaiting the order of Hon'ble NCLT in the aforesaid matter.

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

For Devesh Vimal & Co.  
Practising Company Secretaries

Place: Vadodara  
Date: 17th July, 2018

CS Devesh A. Pathak

Partner  
FCS No. 4559  
CP No. 2306

# KUMAKA INDUSTRIES LIMITED

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KUMAKA INDUSTRIES LIMITED**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone financial statements of KUMAKA INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by M/s. M.B. Majmudar & Co., for which they expressed an unmodified opinion dated 30th May, 2017 and 30th May, 2016 which has been accepted by us. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

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

As required by Companies (Auditor's Report) order 2016, issued by the Central Government of India in terms of sub-section (11) of section 143(3) of the Act, we give in the Annexure "A" statement on the matters specified in the paragraph 3 and 4 of the order; to the extent applicable

As required by sec 143 (3) of the Act, we report that:-

# KUMAKA INDUSTRIES LIMITED

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:-
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements note no:24.
  - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For SCA And Associates  
CHARTERED ACCOUNTANTS  
Firm Registration No: 101174W

Prakash R. Muni  
PARTNER  
Membership No: 30544

Place: Mumbai  
Date: 27th April, 2018

## **Annexure "A" to the Independent Auditor's Report**

Re: Kumaka Industries Limited

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2018, we report that :-

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. Since, the company is not having inventory therefore the para 3(ii) of the order relating to physical verification of inventories is not applicable.
3. The Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. As per the explanation given by the company, because of the stringent financial condition of the former subsidiary and firm, Company has neither charged nor received any interest. In our opinion, the terms and conditions are prejudicial to the interest of the company. Scope of recovery are also remote. There is neither recovery of principal amount nor interest during the year. No steps for recovery of principal amount and interest have been taken by the company during the year.
4. In our opinion and according to the information and explanations given to us, During the year the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. During the financial year ended 31st March, 2018, The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act. However, in the past years, the company had given unsecured loan and had acquired equity shares in former subsidiary company in which the key managerial personnel are directors and has given advance in the past years to a partnership firm in which relatives of a director are partners within the meaning of section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions



## KUMAKA INDUSTRIES LIMITED

of the Companies Act and the rules framed there under.

6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7. (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, and the records of the company of the company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, gst, excise duty, custom duty, and cess as at March 31, 2018 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2018 which has not been deposited on account of dispute is as follows :-

Nature of Dues	Amount (Rs.)	Period to which amount related	Forum where the dispute is pending
Income Tax	36,97,936	AY 1995-96	Mumbai High Court
Income Tax	7,14,567	AY 1996-97	ITAT
Income Tax	30,51,500	AY 2012-13	DY.Commissioner of Income Tax
Excise Matters	90,00,000	1996-97	CESTAT
Income Tax	44,51,160	AY 2014-15	CIT (APPEALS)

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause (ix) of paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (IND AS -24) Related Party Transaction.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SCA And Associates  
 CHARTERED ACCOUNTANTS  
 Firm Registration No: 101174W

Prakash R. Muni  
 PARTNER  
 Membership No: 30544

Place: Mumbai  
 Date: 27th April, 2018

# KUMAKA INDUSTRIES LIMITED

## **Annexure “B” to the Independent Auditor's Report of even date on the Standalone Financial Statements of KUMAKA INDUSTRIES LIMITED**

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

We have audited the internal financial controls over financial reporting of KUMAKA INDUSTRIES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

## KUMAKA INDUSTRIES LIMITED

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For SCA And Associates  
CHARTERED ACCOUNTANTS  
Firm Registration No: 101174W

Prakash R. Muni  
PARTNER  
Membership No: 30544

Place: Mumbai  
Date: 27th April, 2018

# KUMAKA INDUSTRIES LIMITED

**KUMAKA INDUSTRIES LIMITED**  
CIN - L99999MH1973PLC016315  
**BALANCE SHEET AS AT 31ST MARCH, 2018**

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>1)Non-Current Assets</b>				
(a) Property, Plant and Equipment	3	137,612,658	123,959,579	201,383,537
(b) Financial Assets				
(i) Investment	4	82,750	82,750	82,750
(ii) Other Financial Assets	5	14,004,228	14,213,252	14,213,252
(iv) Loans	6	-	-	-
(d) Other Non Current Assets (Taxes)	7	367,920	326,192	22,405
<b>Total Non Current Assets</b>		<b>152,067,556</b>	<b>138,581,773</b>	<b>215,701,944</b>
<b>Current Assets</b>				
(a) Inventories	8	-	102,346	199,426
(b) Financial Assets				
(i) Trade Receivables	9	-	2,530,447	2,564,282
(ii) Cash and Cash Equivalents	10A	728,213	1,673,564	465,699
(iii) Other Bank Balances	10B	3,109,227	9,651,000	-
(c) Other Current Assets	11	75,696,000	75,828,845	14,856,536
<b>Total Current Assets</b>		<b>79,533,440</b>	<b>89,786,202</b>	<b>18,085,942</b>
<b>TOTAL ASSETS</b>		<b>231,600,997</b>	<b>228,367,975</b>	<b>233,787,886</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share Capital	12	120,856,250	120,856,250	120,856,250
(b) Other Equity	13	72,286,827	69,724,895	74,276,750
<b>Total Equity</b>		<b>193,143,077</b>	<b>190,581,145</b>	<b>195,133,000</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(a) Borrowings	14	-	-	10,371,252
<b>Other Current Liabilities</b>	15	38,457,919	37,786,830	28,283,634
<b>Total Current Liabilities</b>		<b>38,457,919</b>	<b>37,786,830</b>	<b>38,654,886</b>
<b>TOTAL LIABILITIES</b>		<b>231,600,997</b>	<b>228,367,975</b>	<b>233,787,886</b>
<b>Significant accounting policies and notes on financial statements</b>	1 to 36			

As per our Report of even date

**For SCA And Associates**

Chartered Accountants

Firm Registration No 101174 W

**Prakash R. Muni**

Partner

Membership No 30544

Place : Mumbai

Date : 27th April,2018

**For and on behalf of the Board**

**Mr. Pankaj M. Kadakia**

Managing Director

DIN- 00166339

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

Director

DIN- 00385689

**Mr. Shiv Patel**

Chief Financial Officer

# KUMAKA INDUSTRIES LIMITED

**KUMAKA INDUSTRIES LIMITED**  
CIN - L99999MH1973PLC016315  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018**

Particulars	Note	Year Ended March 31,2018	Year Ended March 31,2017
I Revenue from Operations	16	204,750	64,250
II Other Income(net)	17	417,843	5,524,576
III <b>TOTAL INCOME</b>		<b>622,593</b>	<b>5,588,826</b>
Expenses			
(a) Cost of Materials Consumed	18	102,344	-
(b) Purchase of Traded goods		-	-
(c) Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	19	-	97,080
(d) Employee Benefit Expenses	20	1,489,694	1,474,172
(e) Other Expenses	21	5,572,237	2,655,916
(f) Finance Costs	22	291,655	30,376
(g) Depreciation and Amortisation Expense	3	391,649	1,394,137
IV <b>TOTAL EXPENSES</b>		<b>7,847,579</b>	<b>5,651,681</b>
V <b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)</b>		<b>(7,224,986)</b>	<b>(62,855)</b>
VI Exceptional items	23	10,031,623	4,489,000
VII <b>PROFIT BEFORE TAX(V-VI)</b>		<b>(17,256,609)</b>	<b>(4,551,855)</b>
VIII <b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax Liability/(Asset)		-	-
<b>TOTAL TAX EXPENSE</b>		-	-
IX <b>PROFIT FOR THE YEAR (VII-VIII)</b>		<b>(17,256,609)</b>	<b>(4,551,855)</b>
X <b>OTHER COMPREHENSIVE INCOME</b>			
(A) Items that will be reclassified subsequently to the statement of profit and loss			-
(B) Income tax on items that will be reclassified subsequently to the statement of profit and loss			-
(C) Items that will not be reclassified subsequently to the statement of profit and loss		27,250,634	-
(D) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		<b>27,250,634</b>	<b>-</b>
XI <b>TOTAL COMPREHENSIVE INCOME OF THE YEAR</b>		<b>9,994,025</b>	<b>(4,551,855)</b>
XII Earning per equity share:-Basic		(1.43)	(0.38)
Earning per equity share:-Diluted		-	-
Weighted average number of equity shares (Face value of Rs. 10 each)			
XIII <b>Significant accounting policies and notes on financial statements</b>	1 to 36		

As per our Report of even date

For and on behalf of the Board

**For SCA And Associates**

Chartered Accountants  
Firm Registration No 101174 W

**Mr. Pankaj M. Kadakia**  
Managing Director  
DIN- 00166339

**Dr. Niranjan M. Pandya**  
Director  
DIN- 00385689

**Prakash R. Muni**  
Partner  
Membership No 30544

**Mr. Shiv Patel**  
Chief Financial Officer

Place : Mumbai  
Date : 27th April, 2018

# KUMAKA INDUSTRIES LIMITED

**KUMAKA INDUSTRIES LIMITED**  
**CIN- L99999MH1973PLC016315**  
**Cash Flow Statement for the period ended 31st March, 2018**

(Rs.)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax	(17,256,609)	(4,551,855)
<b>Adjustments for:</b>		
Interest received	(417,843)	(734,386)
Interest	-	15,996
Provision for Doubtful Debts	2,530,447	-
Provision for Doubtful Advances	209,024	-
Depreciation	391,649	1,394,137
(Profit)/Loss on Sale of Fixed Assets	4,973,813	(981,190)
<b>Operating Profit before Working Capital Changes</b>	<b>(9,569,519)</b>	<b>(4,857,298)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventory	102,346	97,080
(Increase)/Decrease in Debtors	-	33,835
(Increase)/Decrease in Other Current Assets	132,845	(60,972,309)
Increase/(Decrease) in Current Liabilities	671,090	(868,056)
Cash generated from /(used in) operations	<b>(8,663,238)</b>	<b>(66,566,748)</b>
Direct Taxes paid	(41,728)	(303,787)
<b>Cash Flow from Operating Activities</b>	<b>(8,704,966)</b>	<b>(66,870,535)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed assets	(200,000)	(23,990)
(Increase)/Decrease in Fixed Deposits	6,541,773	(9,651,000)
Interest received	417,843	734,386
Sale of Fixed assets	1,000,000	77,035,000
Increase in Long Term Advances	-	-
<b>Net Cash used in Investing Activities</b>	<b>7,759,616</b>	<b>68,094,396</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of long term borrowings	-	-
Interest paid	-	(15,996)
<b>Net Cash Generated from Financing Activities</b>	<b>-</b>	<b>(15,996)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(945,350)</b>	<b>1,207,865</b>
<b>Cash &amp; Cash Equivalents (Opening)</b>	<b>1,673,564</b>	<b>465,699</b>
<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>728,213</b>	<b>1,673,564</b>

As per our Report of even date

For and on behalf of the Board

**For SCA And Associates**  
Chartered Accountants  
Firm Registration No 101174 W

**Mr. Pankaj M. Kadakia**  
*Managing Director*  
DIN- 00166339

**Dr. Niranjana M. Pandya**  
Director  
DIN- 00385689

**Prakash R. Muni**  
*Partner*  
Membership No 30544

**Mr. Shiv Patel**  
*Chief Financial Officer*

**Place :** Mumbai  
**Date :** 27th April, 2018

# KUMAKA INDUSTRIES LIMITED

**KUMAKA INDUSTRIES LIMITED**  
CIN - L99999MH1973PLC016315  
STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Reserves and Surplus				Other Comprehensive Income	Total Equity
		Securities premium	Revaluation Reserve	General Reserve	Retained Earnings		
<b>Balance as at April 1, 2016</b>	120,856,250	292,203,750	7,432,093.00	40,178,015	(406,655,232)	141,118,124	195,133,000
Profit for the year	-	-	-	-	(4,551,855)	-	(4,551,855)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>7,432,093.00</b>	<b>40,178,015</b>	<b>(411,207,087)</b>	<b>141,118,124</b>	<b>190,581,145</b>
Transfer of profits to Capital Redemption Reserve	-	-	-	-	-	-	-
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>7,432,093</b>	<b>40,178,015</b>	<b>(411,207,087)</b>	<b>141,118,124</b>	<b>190,581,145</b>
<b>Balance as at April 1, 2017</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>7,432,093</b>	<b>40,178,015</b>	<b>(411,207,087)</b>	<b>141,118,124</b>	<b>190,581,145</b>
Profit for the year	-	-	-	-	(17,256,609)	27,250,634	(17,256,609)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>7,432,093</b>	<b>40,178,015</b>	<b>(428,463,696)</b>	<b>168,368,758</b>	<b>200,575,170</b>
Transfer (to)/from Statement of Profit and Loss Account	-	-	(7,432,093)	-	-	-	(7,432,093)
<b>Balance as at March 31, 2018</b>	<b>120,856,250</b>	<b>292,203,750</b>	<b>-</b>	<b>40,178,015</b>	<b>(428,463,696)</b>	<b>168,368,758</b>	<b>193,143,077</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-36**

As per our Report attached on the even date

**For SCA & Associates**  
Chartered Accountants  
Firm Registration No 101174 W

**Prakash R. Muni**  
Partner  
Membership No 30544

Place : Mumbai  
Date : 27th April, 2018

**For and on behalf of the Board**

**Mr. Pankaj M. Kadakia**  
Managing Director  
DIN- 00166339

**Dr. Niranjan M. Pandya**  
Director  
DIN- 003885689

**Mr. Shiv Patel**  
Chief Financial Officer

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

### Corporate Information

The Company is promoted by Shri Pankaj M. Kadakia and is in the business of Manufacturing Chemicals.

The Registered Office of the Company is at 404, Sharda Chambers, New Marine Lines, Mumbai -400020.

#### **Note 1: SIGNIFICANT ACCOUNTING POLICIES**

##### **(i) Statement of compliance/Adoption of Ind AS for first time**

In accordance with the notification issued by the ministry of corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

##### **(ii) (a) Basis of preparation**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

The financial statements have been prepared on historical cost basis, except for the following:

- a. certain financial assets and liabilities which are measured at fair values

##### **(b) Use of estimates**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

##### **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

##### **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note no:(x)

##### **Provisions and contingent liabilities**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

##### **(iii) Revenue Recognition**

- a. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, and amount of revenue can be measured reliably.
- b. Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.



# KUMAKA INDUSTRIES LIMITED

- c. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- d. Revenue from operation includes sale of goods, services, services tax, excise duty and adjusted for discounts (Net).
- e. Interest income is recognized using the effective interest method.
- f. Dividend income is recognized when the right to receive payment is established.

## **(iv) Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

## **(v) Foreign Currency Loans/Transactions**

- a. Transactions in Foreign Currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the profit and loss account.
- c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

## **(vi) Employee Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### **Long Term Employee Benefits**

The liability towards gratuity and leave encashment is not funded.

## **(vii) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditure relating to property, plant & equipment is capitalised only when it is probable that future economic benefit associate with this will flow to the company and the cost of item can be measured reliably. Repairs and maintenance cost are recognized in statement of profit & loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and resultant gains and losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at lower of carrying value or fair value less cost to sell.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives of property, plant & equipment is taken as prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Cost excludes Cenvat credit, Sales Tax and Service Tax credit, Custom Duty entitlement and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

## **(viii) Impairment**

### **a. Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **b. Non Financial assets**

#### **Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

## (ix) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, stores and spares, packing material, trading and other products are determined on weighted average basis.

## (x) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### Current Income Taxes

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of Income Tax determined to be payable in respect of the taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year, when Income Tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115 JB.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### Deferred Income Taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognizes interest levied and penalties related to income tax assessments in interest expenses.

## (xi) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

# KUMAKA INDUSTRIES LIMITED

## **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

## **Financial liabilities**

### **Trade Payables & Other Current Liabilities**

For trade payables and other payables maturing within one year from the balance sheet date, carrying amounts approximate fair value due to short maturity of these instruments.

### **(xii) Earnings per Share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

### **(xiii) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **Note 2: FIRST TIME ADOPTION OF IND AS**

### **Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The transition as at 1st April, 2016 to Ind AS was carried out from the previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with the previous GAAP to Ind AS are explained below:

#### **A. Exemptions Applied**

The Company has applied the following exemptions:

##### **Deemed Cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at the previous GAAP carrying value.

#### **B. Mandatory Exceptions**

##### **Estimates**

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP.

##### **Classification and measurement of financial assets**

According to Ind AS 101, the Company has assessed classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

#### **C. Reconciliation between previous GAAP and Ind AS**

##### **(i) Equity reconciliation**

	Notes	As at 31st March, 2017	As at 1st April, 2016
As reported under previous GAAP		20,26,60,452	20,72,12,307
<b>Adjusted equity under previous GAAP</b>			
- Fair Valuation as deemed cost for Land	(a)	17,64,47,533	17,64,47,533
- Fair Valuation for Financial Assets	(b)	(18,85,26,840)	(18,85,26,840)
<b>Equity under Ind AS</b>		<b>19,05,81,145</b>	<b>19,51,33,000</b>

# KUMAKA INDUSTRIES LIMITED

## (ii) Comprehensive income reconciliation

	Notes	2016-2017
<b>Net Profit under previous GAAP</b>		<b>45,51,855</b>
- Employee benefits		-
- Tax adjustments		-
<b>Net Profit under Ind AS</b>		<b>45,51,855</b>
- Other Comprehensive Income		-
<b>Total comprehensive income under Ind AS</b>		<b>45,51,855</b>

## (iii) Reconciliation of Statement of Cash Flows

There are no material adjustments to the statement of cash flows as required under the previous GAAPS.

### Notes to reconciliation between Previous GAAP and IND AS

#### (a) Fair Valuation as Deemed Cost for Land

Under Ind AS, The Company has considered fair value for Land. This has resulted in increase of equity by Rs. 17,64,47,533/-.

#### (b) Fair Valuation of Financial Assets

The company has valued financial assets (namely Investments and advances) at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive income, as the case may be.

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

### Note 3 : Property, Plant and Equipment

Description	Land	Factory Building	Plant and Machinery	Motor Car	Computers	Furniture and Fixtures	Air Conditioner	Water Treatment Plant	Total
<b>Cost/Deemed cost as at April 1,2017</b>	109,794,588	12,449,455	2,523,075	215,670	12,997	280,746	23,990	-	125,300,521
Additions	27,250,634	-	-	-	-	-	-	200,000	27,450,634
Disposals	-	12,449,455	2,523,075	-	-	-	-	-	14,972,530
Cost/Deemed cost as at March 31,2018	137,045,222	-	-	215,670	12,997	280,746	23,990	200,000	137,778,625
Accumulated depreciation as at April 1,2017	-	(1,171,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(1,340,942)
Depreciation for the period	-	(277,252)	(34,100)	(38,057)	(4,401)	(30,159)	(4,558)	(3,122)	(391,649)
Disposals	-	1,448,946	117,678	-	-	-	-	-	1,566,624
Accumulated depreciation as at March 31,2018	-	-	-	(68,490)	(8,803)	(80,994)	(4,558)	(3,122)	(165,967)
<b>Net carrying amount as at March 31,2018</b>	<b>137,045,222</b>	<b>-</b>	<b>-</b>	<b>147,180</b>	<b>4,194</b>	<b>199,752</b>	<b>19,432</b>	<b>196,878</b>	<b>137,612,658</b>

Description	Land	Factory Building	Plant and Machinery	Motor car	Computers	Furniture and fixtures	Air Conditioner	Office Premises	Total
Cost/Deemed cost as at April 1,2016	9,043,055	12,449,455	2,906,346	215,670	12,997	280,746	-	27,734	24,936,003
Ind As Impact	176,447,533	-	-	-	-	-	-	-	176,447,533
Additions	-	-	-	-	-	-	23,990	-	23,990
Disposals/ Transfer	75,696,000	-	383,271	-	-	-	-	27,734	76,107,005
Cost/Deemed cost as at March 31,2017	109,794,588	12,449,455	2,523,075	215,670	12,997	280,746	23,990	-	125,300,521
Accumulated depreciation as at April 1,2016	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	(1,171,694)	(136,773)	(30,433)	(4,402)	(50,835)	-	-	(1,394,137)
Disposals	-	-	53,195	-	-	-	-	-	53,195
Accumulated depreciation as at March 31,2017	-	(1,171,694)	(83,578)	(30,433)	(4,402)	(50,835)	-	-	(1,340,942)
<b>Net carrying amount as at March 31,2017</b>	<b>109,794,588</b>	<b>11,277,761</b>	<b>2,439,497</b>	<b>185,237</b>	<b>8,595</b>	<b>229,911</b>	<b>23,990</b>	<b>-</b>	<b>123,959,579</b>
Net carrying amount as at April 1,2016	185,490,588	12,449,455	2,906,346	215,670	12,997	280,746	-	27,735	201,383,537

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note 4 : Investments</b>			
<b>Investments Measured at Fair Value through OCI</b>			
<u>In Equity Shares of Former Subsidiary Unquoted, fully paid up</u>			
16,55,000 ( 16,55,000) Kadakia Alkalies & Chemicals Ltd of Rs.10/- each.	82,750	82,750	82,750
<b>Total</b>	<b>82,750</b>	<b>82,750</b>	<b>82,750</b>
<b>Note 5 : Other Financial Assets</b>			
<b>Security Deposits</b>			
Deposit with GEB(DGVCL),GIDC Ankleshwar	3,693,196	3,693,196	3,693,196
Deposit with DGVCL	209,024	209,024	209,024
Deposits on Behalf of Kadakia Alkalies and Chemicals LTD with GEB (DGVCL)	10,311,032	10,311,032	10,311,032
Less: Provision for Doubtful Advances	209,024	-	-
<b>Total</b>	<b>14,004,228</b>	<b>14,213,252</b>	<b>14,213,252</b>
<b>Note 6 : Loans</b>			
<b>Unsecured, Considered Doubtful</b>			
Interest free Advances to Related Parties	149,168,350	149,168,350	149,168,350
Other Advances	243,840	243,840	243,840
	149,412,190	149,412,190	149,412,190
Less: Provision for Doubtful Advances	149,412,190	149,412,190	149,412,190
	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note 7 : Other Non Current Assets (Income Tax)</b>			
Advance Income Tax (Net of Provision for Tax)	367,920	326,192	22,405
<b>Total</b>	<b>367,920</b>	<b>326,192</b>	<b>22,405</b>

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note 8 : Inventories</b>			
<u>a. Raw Materials and Components</u>	-	102,346	102,346
<u>b. Finished Goods</u>	-	-	97,080
<b>Total</b>	<b>-</b>	<b>102,346</b>	<b>199,426</b>
<b>Note 9 : Trade Receivables</b>			
Trade Receivables considered doubtful	2,530,447	2,530,447	2,564,282
Less: Provision for doubtful debts	2,530,447	-	-
<b>Total</b>	<b>-</b>	<b>2,530,447</b>	<b>2,564,282</b>
<b>Note 10A :Cash and Cash Equivalents</b>			
Cash on Hand	1,052	2,687	434,966
<b>Balance with banks:</b>			
In Current Accounts	727,161	1,670,877	30,733
<b>Total</b>	<b>728,213</b>	<b>1,673,564</b>	<b>465,699</b>
<b>Note 10B: Other Bank Balances</b>			
In Fixed Deposits (having maturity more than 3 months & held as security)	3,109,227	9,651,000	-
<b>Total</b>	<b>3,109,227</b>	<b>9,651,000</b>	<b>-</b>
<b>Note 11 : Other Current Assets</b>			
Interest receivable on bank Fixed Deposits	-	32,845	-
Advances to Suppliers	-	100,000	14,449,531
Indirect Taxes Recoverable	-	-	407,005
Assets Held for Sale	75,696,000	75,696,000	-
<b>Total</b>	<b>75,696,000</b>	<b>75,828,845</b>	<b>14,856,536</b>

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note 12 : Share Capital</b>			
a) Authorised : 1,50,00,000 Equity Shares @Rs. 10/- each	150,000,000	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>	<b>150,000,000</b>
b) Issued, Subscribed and Fully Paid up : 120,85,625 Equity Shares @ Rs.10/- each fully paid up.	120,856,250	120,856,250	120,856,250
	<b>120,856,250</b>	<b>120,856,250</b>	<b>120,856,250</b>

**Note:**

In January 1995, the Company made its first public issue of 37,47,400 equity shares bearing the face value of Rs 10 each, at a premium of Rs. 150 per share (aggregating To Rs 160 per share). Pursuant to the payment of application monies of Rs 40 per share, the Company made the allotment of shares, to the successful Applicants, in April 1995. Total issue size 37,47,400 shares, It included 13,34,400 shares were fully paid up, Balance 24,13,000 shares were partly paid i.e. Rs 40 per share as against Rs.160 issue price or 25%.

Hence the board and later on the members at AGM considered it appropriate to issue one fully paid share in lieu of four partly paid shares. However BSE did not approve listing of such allotment of shares. It is stated that Companies Act specifically does not provide for such situation of reduction in number of shares applied for and consolidation of such application. BSE advised Company to implement procedure for reduction in Share Capital and obtain approval of the Appropriate Authority. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench.

In the aforesaid public issue, 406 applicants had subscribed to 10,375 shares, by paying the entire subscription amount of Rs. 160 per share, but each application was less than lot size of 100 which was fixed by the Company. The Company allotted shares to such applicants. BSE did not approve listing of such allotment of shares. The Company has approached NCLT (Mumbai Bench) in the matter. Share capital of the Company will stand modified as per order or directions of NCLT- MUMBAI Bench

**Reconciliation of number of shares and amount outstanding at the beginning and end of the year:**

	31/03/2018		31/03/2017	
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Equity Shares outstanding at the beginning of the year	12,085,625	12,085,625	12,085,625	12,085,625
Fresh Issue/ESOP/Bonus Issue of Shares	0	0	0	0
Redemption/Buy-back of Shares	0	0	0	0
Equity Shares outstanding at the end of the year	12,085,625	12,085,625	12,085,625	12,085,625

**All 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**

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

Name of Shareholder	31/03/2018		31/03/2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1.Mr.Pankaj Manilal Kadakia Director	2,829,450	23.41%	2,829,450	23.41%
2.Mrs.Madhavi Pankaj Kadakia	3,907,850	32.33%	3,907,850	32.33%
3.Mr.Shyam Pankaj Kadakia	2,923,250	24.19%	2,923,250	24.19%
4.Ms.Niyati Pankaj Kadakia	911,600	7.54%	911,600	7.54%

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note 13 : Other Equity</b>			
<b>Securities Premium Account:</b>			
At the beginning of the year	292,203,750	292,203,750	292,203,750
Addition during the year	-	-	-
Less: Utilised/Transferred during the year	-	-	-
At the end of the year	<b>292,203,750</b>	<b>292,203,750</b>	<b>292,203,750</b>
<b>Revaluation Reserve:</b>			
At the beginning of the year	7,432,093	7,432,093	7,432,093
Less: Utilised/Transferred during the year	(7,432,093)	-	-
At the end of the year	<b>-</b>	<b>7,432,093</b>	<b>7,432,093</b>
<b>General Reserve:</b>			
At the beginning of the year	40,178,015	40,178,015	40,178,015
Addition during the year	-	-	-
Less : Utilization During the Year	-	-	-
At the end of the year	<b>40,178,015</b>	<b>40,178,015</b>	<b>40,178,015</b>
<b>Retained Earnings</b>			
At the beginning of the year	(411,207,087)	(406,655,232)	(406,655,232)
Add: Profit/(Loss) for the year	(17,256,609)	(4,551,855)	-
Less: Utilised/Transferred during the year	-	-	-
At the end of the year	<b>(428,463,696)</b>	<b>(411,207,087)</b>	<b>(406,655,232)</b>
<b>Other Comprehensive Income (OCI)</b>			
At the beginning of the year	141,118,124	141,118,124	141,118,124
Add: Movement in OCI during the year	27,250,634	-	-
At the end of the year	<b>168,368,758</b>	<b>141,118,124</b>	<b>141,118,124</b>
<b>Total</b>	<b>72,286,827</b>	<b>69,724,895</b>	<b>74,276,750</b>

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Note14 : Short Term Borrowings</b>			
<u>From Others</u>	-	-	10,371,252
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,371,252</b>
<b>Note 15 : Other Current Liabilities</b>			
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes,GST, TDS, Excise Duty,VAT, Service Tax, etc.)	357,505	27,102	19,510,132
Provision for Other Expenses	630,894	290,207	4,155,416
Advances Received against Sale of Land	37,469,520	37,469,520	4,618,085
<b>Total</b>	<b>38,457,919</b>	<b>37,786,830</b>	<b>28,283,634</b>



# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
<b>Note 16 : Revenue from Operations</b>		
Sale of Products	204,750	64,250
	204,750	64,250
<b>Other Operational Revenue</b>		
Miscellaneous Income	-	-
<b>Revenue from Operations (Net)</b>	<b>204,750</b>	<b>64,250</b>
<b>Note 17 : Other Income</b>		
Interest Earned on Investments	417,843	734,386
Miscellaneous Income	-	3,809,000
Profit on Sale of Fixed Assets	-	981,190
<b>Total</b>	<b>417,843</b>	<b>5,524,576</b>
<b>Note 18 : Cost of Materials Consumed</b>		
Opening Stock of Raw Materials	102,344	102,346
Add:Purchases	-	-
Less: Closing Stock of Raw Materials	-	102,346
<b>Total Cost of Materials Consumed</b>	<b>102,344</b>	<b>-</b>
<b>Note 19 : Changes in Inventories</b>		
Opening Stock of Finished Goods	-	97,080
Less:Closing Stock of Finished Goods	-	-
<b>Increase/(Decrease) in stock</b>	<b>-</b>	<b>97,080</b>
<b>Note 20 : Employees Benefit Cost</b>		
Salaries & Wages/Service Charges	289,694	221,672
Director's Remuneration	1,200,000	1,200,000
Contribution to other funds	-	52,500
<b>Total</b>	<b>1,489,694</b>	<b>1,474,172</b>

# KUMAKA INDUSTRIES LIMITED

## KUMAKA INDUSTRIES LIMITED

Particulars	31st March, 2018	31st March, 2017
<b>Note 21 : Other Expenses</b>		
<b><u>Selling and Distribution Expenses:</u></b>		
Provision for doubtful debts	2,530,447	-
Advertisement Expenses	20,210	20,908
	<b>2,550,657</b>	<b>20,908</b>
<b><u>Establishment Expenses:</u></b>		
Payment to Auditors	188,800	175,000
Electricity charges	34,591	63,940
Labour Compensation/Settlement	15,000	292,000
Repairs & Maintainance	248,126	351,231
Legal & Professional Fees	1,271,835	602,658
Licence, Subscription & Other Fees	26,624	87,473
Expenses on Directors other than Remuneration	106,617	141,017
Computer Repairs & Internet Charges	2,300	33,609
Insurance Charges	9,599	8,109
Printing & Stationery Expenses	130,219	252,296
Postage, Telephone & Other Expenses	87,569	125,397
Society Charges	60,000	154,042
Travelling & Conveyance Expenses	309,209	113,804
Consolidated Notified Area Tax	49,452	94,517
Provision for Doubtfull Advances	209,024	-
Miscellaneous Expenses	272,615	139,915
	<b>3,021,580</b>	<b>2,635,008</b>
<b>Total</b>	<b>5,572,237</b>	<b>2,655,916</b>
<b>Note 22 : Finance Cost</b>		
Bank Charges & Commission	291,655	14,380
<u>Interest Expense</u>		
Other Interest & Finance Charges	-	15,996
<b>Total</b>	<b>291,655</b>	<b>30,376</b>
<b>Note 23 : Exceptional Items</b>		
Land revenue/Water Taxes Paid	2,153,591	4,489,000
Legal Cases settlement cost	2,904,218	-
Loss on Sale of Fixed Assets	12,405,907	-
Less: Transfer from Revaluation reserve	(7,432,093)	-
<b>Total</b>	<b>10,031,623</b>	<b>4,489,000</b>

# KUMAKA INDUSTRIES LIMITED

## OTHER NOTES TO ACCOUNTS

### 24. Contingent Liability/Assets –

#### (A) Statutory Dues

Sr. No.	Particulars	Period	Amt	Forum where the dispute pending
1	Income Tax	A.Y. 1995-96	36,97,936	Mumbai High Court
2	Income Tax	A.Y. 1996-97	7,14,567	ITAT, Mumbai
3	Income Tax	A.Y. 2012-13	30,51,500	DY. Comm. of I.T. Mumbai
4	Income Tax	A.Y. 2014-15	44,51,160	CIT- Appeal Mumbai
5	Income Tax	F.Y. 1996-97	90,00,000	CESTAT (Tribunal) Ahmedabad

Note.

- Against Statutory dues of Rs.90,00,000/- towards Excise duty Rs.6,75,151/- have been paid in earlier years.
- Income Tax liabilities for the Assessment year 2014-15 Rs.44,51,160/- against that Rs.2,50,000/- have been paid during the year 2016-17.

#### (B) Claim by Employees

- There are 46 claims for back wages & other claim by employee (worker & staff) in respect of 36 employees, since the exact amount is not Quantifiable, Approximate Rs. 50,000/- per employee i.e.Rs.18,00,000/- is treated as contingent liabilities and 10 employees the contingent liability is Rs.9,30,486/- and the total contingent liabilities Rs.27,30,486/-
- The contingent liability towards gratuity claim filled by employees is Rs.2,04,229/-

#### (C) Contingent Assets

During the past years, the company had entered in to correspondence with Gujarat Electricity Board, Now Known as Dakshin Gujarat vij. Co. Ltd. For recovery of the refund due consequent upon the Arbitration award amounting Rs.1,59,11,789/- as principal amount together with the interest and delayed payment changes due there on as per the Arbitration award which is contingent asset as 31-03-2017.

### 25. Remuneration to Directors:

Remuneration paid during the year ended 31st March, 2018 to Managing Director Rs.12,00,000 (P.Y. Rs. 12,00,000/-).  
Sitting Fees paid to Non- Executive/ Independent Directors –

Remuneration	2017-18	2016-17
	Rs.	Rs.
Sitting Fees	45,000	21,000

### 26. Earnings and Expenditure in Foreign Currency

Earning in Foreign Currency - NIL (P.Y. – NIL)  
Expenditure in Foreign Currency - NIL (P.Y. – NIL)

- In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

### 28. Earning Per Share

Earning Per Share		2017-18	2016-17
Basic & Diluted EPS :			
Net Profit (Loss) after Tax for the year (Rs.)	A	(1,72,56,609)	(45,51,855)
Weighted Average No. of Shares (In Nos)	B	1,20,85,625	1,20,85,625
Basic & Diluted Earnings Per Share of Face Value of Rs 10 Per Share.	C (A/B)	(1.43)	(0.38)

### 29. Related Party Disclosure as per IND AS 24

#### A. List of related parties.

##### a. Key Management Personnel (KMP)

- Shri Pankaj M Kadakia – Managing Director.
- Shri Shiv Patel – Chief Financial Officer

##### b. Relatives of Key Management Personnel:

- Pankaj M Kadakia (HUF)

# KUMAKA INDUSTRIES LIMITED

- (ii) Mrs. Madhavi Pankaj Kadakia
- (iii) Mr. Shyam Pankaj Kadakia

**c. Other related parties (Companies/Enterprises in which director or their relatives have significant influence)**

- (i) Kadakia Alkalies & Chemicals Ltd.
- (ii) USM Enterprises
- (iii) Ashok Cellulose Limited

**B. Details of transaction with related parties**

Nature of Transaction	Amount in Rs. Lacs		
	KMP	Other Related Parties	Total
Remuneration paid	12.00 <i>(13.41)</i>	NIL <i>(NIL)</i>	12.00 <i>(13.41)</i>

**C. Closing Balance**

Nature of Transaction	KMP	Amount in Lacs	
		Other Related Parties	Total
Loans (Non Current Assets)	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>
Investments	NIL <i>(NIL)</i>	0.82 <i>(0.82)</i>	0.82 <i>(0.82)</i>
Other Current Liabilities	6.30 <i>(NIL)</i>	NIL <i>(NIL)</i>	6.30 <i>(NIL)</i>

\*Figures in Italic and brackets are pertains to previous year

**30. Disclosure as per Regulation 34 (3) and 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

- a) Loans and Advances to Subsidiary Companies: Rs. Nil
- b) Loans and Advances to Associate Companies: Rs. Nil
- c) Loans and Advances to Associate Companies/firms  
in which directors are Interested (excluding Subsidiary and Associate companies): Rs. Nil

**31. Risk Factors**

The Company's business activities expose it to various risks viz: market risk, credit risk, liquidity risk. The Board of Directors of the Company has approved a risk management policy to address and mitigate the risks associated with the business of the Company. The Board of Directors of the Company regularly monitors and reviews the risks and takes actions to respond to and mitigate the risks.

Various sources of risks and their management in the financial statements is given below:

**Credit Risks**

Credit risk arises on account of credit exposure to customers, loans given to parties, security deposits given, deposits with banks and financial institution. The credit risk is assessed and managed on an ongoing basis. The Company uses its internal market intelligence while dealing with the customers and parties to whom loans are given. The Company manages the credit risk based on internal rating system. The Company has dealings only with nationalized and high rated private banks and financial institutions for its banking transactions and placement of deposits.

Default of a financial asset occurs when the counterparty fails to make contractual payment within 365 days of due date of payment. This definition of default is determined by considering the business environment in which the entity operates, on going business relationship with the counterpart and other macro – economic factors.

**Liquidity Risk Management**

Liquidity risk management involves management of the Company's short, medium and long term fund requirement efficiently by maintaining sufficient cash and cash equivalent and availability of funding through adequate amount of committed credit facilities to meet the obligations when due. The management of the Company manages the liquidity risk by maintaining adequate surplus cash in short term deposits. The management regularly monitors the forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows.

**Market Risk**

Market risk can arise on account of fluctuation in future market prices which will impact the fair value or future cash flows of financial instruments. The fluctuation in market price can be in the form of Currency Risk, Interest Rate Risk or other price risk such as Equity Price Risk. The Company is not exposed to Currency Risk as it does not have any foreign exchange exposure. Similarly, the Company does not have any equity price risk as it does not have any material investment in equity shares nor does the Company trade in any investment. The Company manages

## KUMAKA INDUSTRIES LIMITED

Interest Rate Risk on its loan exposures by controlling the exposure within acceptable parameters and at the same time getting optimum returns on its surplus funds.

### 32. Capital Management

The objectives of capital management are:

- a. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for the other stakeholders and
- b. Maintain an optimal capital structure to reduce the cost of capital.  
The Company does not have any exposure towards debt. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### 33. Income Tax

Income Tax Assessments of the Company have been completed up to Assessment Year 2014-15. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year provision for Income Tax is Nil as per Section 115JB of the Income Tax Act, 1961 as the Income Tax liability under normal method is NIL on account of accumulated losses of current and prior years.

### 34. Segment Information

The Company's Managing Director is the Chief Operating Decision Maker (CODM). Based on his examination of Company's performance from a product and geographical perspective he has identified there are no segments for reporting.

35. Previous year's figures have been regrouped/ rearranged wherever considered necessary.

36. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our Report on even date

For SCA And Associates.  
Chartered Accountants  
Firm Registration No 101174 W

Prakash R. Muni  
Partner  
Membership No.030544

For and on behalf of the Board

Mr. Pankaj M. Kadakia  
Managing Director  
DIN- 00166339

Mr. Shiv Patel  
Chief Financial Officer

Dr. Niranjana M Pandya  
Director  
DIN- 00385689

Place: Mumbai  
Date: 27th April, 2018

# KUMAKA INDUSTRIES LIMITED

## ATTENDANCE SLIP

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

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

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

I / We hereby record my / our presence at 44th Annual General Meeting of Members of the Company, to be held on Tuesday, 18th September, 2018 at 3.30 P.M. The Electric Merchants Association, Room No. 7 & 12 , 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai – 400002.

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

Signature of Shareholder / Proxy

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

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

### KUMAKA INDUSTRIES LIMITED

Reg. Off. : 404, Sharda Chambers, 33, Sir Vithaldas Thakersey Marg New Marine Lines, 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 44th Annual General meeting of the company, to be held on Tuesday, 18 September, 2018 at 03:30 PM at: The Electric Merchants Association, Room No. 7 & 12 , 2nd Floor, Shreeji Bhuvan, 51 Mangaldas Lane, Lohar Chawl, Mumbai – 400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1.	To receive, consider and adopt the Financial Statement consisting of Balance Sheet as at March 31, 2018, the statement of Profit and Loss and Cash Flow Statement for the year ended on March 31, 2018 along with the reports of the Board of Directors' and Auditors' thereon		
2.	To appoint a Director in place of Shri Pankaj M Kadakia (DIN-00166339), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To ratify appointment of SCA and Associates, Chartered Accountants as statutory auditors of the Company		
4.	To appoint Dr. T.D. Tiwari as an Independent Director		
5.	To consider re-appointment of Shri Pankaj Manilal Kadakia as the Managing Director of and remuneration payable to.		

Signed ..... day of ..... 2018

Affix Rs. 1

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

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

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

Revenue  
Stamp

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 (v) "For" or "Against" column blank against any or all resolutions, you proxy will be entitled to vote in the manner as he/she may deem appropriate.

**KUMAKA INDUSTRIES LIMITED**

To,

*If undelivered please return to :*

**Kumaka Industries**

5th Floor, Ramkrishna chambers, BPC Road, Alkapuri, Vadodara-390007.

Ph. No. : 0265-2330019