

## KAMARHATTY COMPANY LIMITED

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### **DIRECTORS :**

G. UKIL (Independent Director)  
A. DASGUPTA (Independent Director)  
S. Z. HUSSAIN (Independent Director)  
S. K. AGARWAL (Managing Director)  
H. NAHATA (Executive Director)

### **CFO :**

P. RAKSHIT

### **AUDITORS :**

KHANDELWAL RAY & CO.  
(Chartered Accountants)

### **BANKERS :**

ALLAHABAD BANK  
INDUSTRIAL FINANCE BRANCH, KOLKATA

### **REGISTERED AND ADMINISTRATIVE OFFICE :**

16A, BRABOURNE ROAD  
KOLKATA - 700 001

### **MILLS :**

1, GRAHAM ROAD  
KOLKATA - 700 058

### **REGISTRARS & SHARE TRANSFER AGENT :**

M/S MAHESWARI DATAMATICS PVT. LTD.  
6, MANGO LANE, KOLKATA - 700 001  
PHONE : (033) 2243 5809, FAX : 033-2248 4787  
EMAIL : mdpldc@yahoo.com

# KAMARHATTY COMPANY LIMITED

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## KAMARHATTY COMPANY LIMITED

Registered Office: 16A, Brabourne Road, Kolkata - 700001  
Phone No.: 91-33-4021 1900 Fax: 91-33-4021 1999 Email: jute@kamarhatty.com

CIN: L51109WB1977PLC000361

### NOTICE

#### TO THE SHAREHOLDERS

Notice is hereby given that 219th Annual General Meeting of the members of Kamarhatty Company Limited will be held on Saturday, the 29th day of September, 2018 at 11:00 A.M. at the registered office of the Company at 16A, Brabourne Road, Kolkata – 700 001 to transact the following business :-

#### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, including the Audited Standalone Balance Sheet as on that date, the standalone Statement of Profit & Loss, Cash Flow Statement, Changes in Equity for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Harsh Nahata (DIN: 02297916), who retires by rotation and being eligible, offers himself for reappointment.

#### SPECIAL BUSINESS

- 3). To consider and if thought fit, to pass with or without modification(s) the following, as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors ) Rules, 2014, the remuneration of Rs.25,000/-(Rupees twenty five thousand) plus applicable taxes and re-imbusement of out of pocket expenses at actuals as approved by the Board of Directors payable to M/s SPK Associates, Cost Accountants who have been appointed by the Board of Directors as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year ending 31st March, 2018 be and is hereby ratified.”

**Regd. Office :-**  
16A, Brabourne Road  
Kolkata – 700 001

By Order of the Board  
For **Kamarhatty Company Limited**

**A. Lakhotia**  
(Company Secretary)

Dated :- 14th August, 2018

## KAMARHATTY COMPANY LIMITED

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### NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy such person shall not act as a proxy for any person or shareholder.
2. Members are requested to bring their copies of the Reports and Accounts to the meeting.
3. The relative Explanatory Statements, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business under item no.4 are annexed hereto.
4. The Registers of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2018 to 29th September, 2018 (both days inclusive)
5. Members are requested to notify any change in their address immediately to the Company at the registered office of the Company at 16A, Brabourne Road, Kolkata – 700 001, or to its Registrars and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
6. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs. Members holding share in physical form are requested to submit their PAN to the Company.
7. The business set out in the Notice will be transacted through remote electronic voting system and the Company providing facility for voting by remote electronic means. Instructions and other information relating to remote e-voting are given in the Notice.

In compliance with the provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members may be cast their vote on all the resolutions proposed to be considered in this Annual General Meeting by electronic means from a remote location (Remote e-voting) and the Company is pleased to provide to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by Remote E-voting. The Company has engaged services of M/s Central Depository Services Limited (CDSL) and the facility of casting the votes by the members using an electronic voting system from a place other venue of the AGM ("Remote E- Voting") will be provided by the said Central Depository Services Limited (CDSL) set-forth in the notice.

8. Members of the Company instead of casting their votes by the aforesaid "Remote E-voting" may cast their vote at the venue of Annual General Meeting through physical Ballot papers, which shall be made available at venue of the AGM and only such members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting through ballot paper.
9. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
10. The remote e-voting period commences on 26th September, 2018 and ends on 28th September, 2018. During this period members of the company holding shares either in physical form or in Dematerialized form, as on the cut off date i.e 22nd September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the votes on a Resolution is cast by the members the members shall not be allowed to change it subsequently.

## KAMARHATTY COMPANY LIMITED

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11. The process and manner for remote e- voting are as under:

- (i) The voting period begins on 26th September, 2018 at 9 A.M. and ends on 28th September, 2018 at 5 P.M. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd 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" tab.
- (iv) Now, Enter your User ID
  - (a) For CDSL : 16 digits beneficiary ID,
  - (b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below :

### For Members holding shares in Demat Form and Physical Form

<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters e.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
<b>Dividend, Bank Details OR Date of Birth (DOB)</b>	<p>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 in order to login.</p> <ul style="list-style-type: none"><li>• If both 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 (v).</li></ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly 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.

## KAMARHATTY COMPANY LIMITED

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- (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 Company.
- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a 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 promoted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts 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.
- (xix) I.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 22nd September, 2018.
  - III. Any person who becomes a Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 22nd September, 2018, may obtain the Sequence No. from RTA.
  - IV. Ms. Sweety Kapoor, Practicing Company Secretary, (Membership No. FCS:5738) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

## KAMARHATTY COMPANY LIMITED

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- VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) immediately after the result is declared. The Company shall simultaneously forward the results to The Calcutta Stock Exchange Limited ("CSE"), where the shares of the Company are listed.
12. The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
  13. Corporate Members are requested to send to the Company/RTA, a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
  14. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the Meeting.
  15. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the Meeting.
  16. Shareholders, who have not dematerialized their shares as yet, are advised to have their shares dematerialized to avail the benefits of paperless trading as well as easy liquidity, as the trading in shares of the Company is under compulsory dematerialized form.
  17. In all correspondence with the Company or the RTA, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
  18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
  19. Members who wish to obtain any information on the Company or the Accounts for the financial year ended 31st March, 2018 may send their queries at the Registered Office of the Company at least 10 days before the Annual General Meeting.
  20. Members who are holding Shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holding into one folio. The Share Certificates will be returned to the Members after incorporating requisite changes thereon.
  21. Electronic copy of the Annual Report 2018 and Notice are being sent to the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice 2018 are being sent in the permitted mode.
  22. SEBI vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 had directed all the Companies to make payment of dividend to the Shareholders through approved electronic mode, update the bank detail and obtain the copies of PAN Card of all the shareholders, which have not been registered with the Company. In view of the above, shareholders holding shares in physical form are requested to fill up the Bank details, E-mail Id and PAN Registration Form being sent with this Annual Report and send directly to M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane Kolkata – 700 001, our Registrar & Share Transfer Agent duly signed along with copy of PAN card(s) (self-attested) and original

## KAMARHATTY COMPANY LIMITED

cancelled cheque leaf/attested bank passbook showing the name of 1st Shareholder Where shares are held in dematerialized form please visit/contact your Depository Participant (DP) and update your PAN and Bank details immediately.

Please also provide your Email ID, Phone/Mobile number enabling us to communicate by electronic means for prompt and hassle-free communication.

23. In line with “Green initiative” by government which encourages paper less holding, the safest possible way to hold shares in Dematerialization Form. Further as per SEBI Notification No. SEBI/LAD-NRO/ GN/ 2018/24 dated 8th June 2018 and BSE Circular No. LIST/COMP/15/2018-19 dated July 05, 2018 no sale or purchase except in case of transmission for transposition of securities will be allowed in physical form w.e.f. 180 days from the date of publication of the said notification in the official gazette. Therefore, we would like to suggest to you to kindly convert your shares from physical mode to demat mode as it will be beneficial to you. In case you do not have any demat account, you may contact your nearest Depository participant (DP) who will guide you in opening the same. Conversion of physical shares to dematerialized shares is a simple process.
- 24 The road map of the venue of the Meeting is given in the Notice. The prominent landmark of the venue is Tea Board.



**VENUE OF ANNUAL  
GENERAL MEETING**  
 Kamarhatty Company Limited  
 16A, Brabourne Road,  
 Kolkata- 700001

### ITEM NO. 2 (ORDINARY BUSINESS)

Details of the Director seeking re-appointment in forthcoming Annual General Meeting in pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given below

Name of Director	Date of Birth	Date of Appointment	Qualification	Experience in Specific Functional Areas	No. of Public companies in which outside Directorship is held	No of Shares in the Company	Relationship with Other Directors
Mr. Harsh Nahata (DIN 02297916)	07/03/1982	23/08/2008	B.Com, CFA	Industrialist	2	2,08,000	Director

## **KAMARHATTY COMPANY LIMITED**

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### **ITEM NO. 3 (SPECIAL BUSINESS)**

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s SPK Associates, Cost Accountants, as Cost Auditor of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to any products as may be applicable for the financial year 2018-19 at a remuneration of Rs.25,000/- (Rupees Twenty five thousand only) and service tax at the applicable rate and reimbursement of out of pocket expenses at actuals.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company.

The Board recommends the resolution set out at item No. 3 for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 3.

**Regd. Office :-**  
16A, Brabourne Road  
Kolkata – 700 001

By Order of the Board  
For **Kamarhatty Company Limited**

**A. Lakhotia**  
(Company Secretary)

Dated :- 14th August, 2018



## KAMARHATTY COMPANY LIMITED

### DIRECTORS' REPORT TO THE SHAREHOLDERS

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Your Directors have pleasure in presenting the Annual Report on the business and operations of the Company together with the Audited Statement of Accounts of the Company for the Year ended 31st March 2018.

#### **FINANCIAL RESULTS:**

The Standalone financial results of the Company are summarized as under:

	<b>2017-18</b>	2016-17
	<b>(Rs. in lakh)</b>	(Rs. in lakh)
Revenue from Operations	<b>16340.64</b>	17859.54
Other Operating Income	<b>167.86</b>	131.12
Operating Profit / (Loss) after depreciation and amortization	<b>(93.75)</b>	(99.67)
Add: Other Income	<b>378.47</b>	454.15
Profit before Tax	<b>284.73</b>	354.48
Less: Tax Expenses	<b>88.91</b>	22.13
Profit for the year	<b>195.82</b>	332.33
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	<b>195.82</b>	332.33
Retained Earnings- Opening Balance	<b>2524.58</b>	2192.25
Add/(Less): Profit for the year	<b>195.82</b>	332.33
Add/(Less): Prior Period Adjustments	<b>(25.64)</b>	-
Retained Earnings - Closing Balance	<b>2694.76</b>	2524.58

The financial statements for the year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial statements for the year ended 31st March, 2017 have been restated in accordance with IND AS for comparative information. For the purposes of transition to IND AS, the Company has followed the guidance prescribed in IND AS-101 "First-time adoption of Indian Accounting Standards" with 1st April, 2016 as the transition date.

#### **DIVIDEND:**

In view of expansion and diversification programme undertaken by the Company and in order to consolidate its financial position your Directors do not recommend any dividend for the financial year 2017-18.

#### **PERFORMANCE HIGHLIGHT:**

During the year under review, your Company's revenue from operations was Rs.16340.64 lacs as against Rs. 17859.54 lacs in the previous year. The Company has operational profit of Rs. 284.72 lacs before exceptional items & taxation as against operational profit Rs. 354.48 lacs in the previous year.

The Saleable Production of Jute goods during the year under review was 17859 M.T. as compared to 18805 M.T. in the previous year.

The year under review witnessed continuous commercial setbacks. The industry continued to face shortage of skilled labour. Additionally absentism amongst the workers have adversely affected the production.

The operations of Paper Division continued smoothly. The Saleable Production during the year under review has been 6039 M.T as compared to 4640 M.T in the previous year.

The operations of Fine Yarn Unit continued smoothly. The Saleable Production during the year under review has been 1407 M.T as compared to 1237 M.T in the previous year

#### **PROSPECT:**

With strong policy measures and positive environment for Jute industry from Government at macro levels

## **KAMARHATTY COMPANY LIMITED**

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and with benefits expected from modernization and expansion at your mill the management is hopeful of a promising future for jute industry.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business of the Company.

### **DEPOSITS:**

The Company has neither invited nor accepted any deposits from the members and relatives under section 73 of the Act and rules made thereunder during the year under review.

### **INDUSTRIAL RELATIONS:**

The industrial relations by and large remained cordial at all levels during the year under review.

### **SUBSIDIARY COMPANY**

Kamarhatty Power Limited, subsidiary of the company, is non operational since May'2011 .

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the IND-AS 110 your Directors are pleased to attach the consolidated financial statements, which form part of the Annual Report and Accounts.

### **PARTICULARS OF EMPLOYEES AND KEY MANAGERIAL PERSONNEL:**

The following persons are the Key Managerial Personnel of the Company as per provisions of Section 203 of the Companies Act, 2013.

a) Mr. Sushant Kumar Agarwal	Managing Director (DIN: 00546541)
b) Mr. Harsh Nahata,	Whole-time Director (DIN:02297916)
c) Mr Pradip Rakshit ,	Chief Financial Officer
d) Mr. Anand Lakhotia,	Company Secretary

There is no employee in respect of whom particulars pursuant to Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are required to be given.

### **RETIRE BY ROTATION OF DIRECTOR:**

In accordance with the Articles of Association of the Company, Mr. Harsh Nahata, (DIN:02297916), will retire at the forthcoming Annual General Meeting, and being eligible, offers himself for reappointment. Your Board of Directors has recommended his re-appointment.

The Company deeply mourns the sad demise of its Chairman Late Badri Prasad Agarwal who passed away on 7th December 2017. He was the pioneer in the Jute Industry & main driving force for the company since more than three decades. His invaluable contribution is highly acknowledged by all concerned. To observe one minute silence to pay due respect to the departed soul.

### **INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on February 10, 2018, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### **DECLARATION BY AN INDEPENDENT DIRECTOR(S)**

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of SEBI Listing Regulations, 2015.

## KAMARHATTY COMPANY LIMITED

### MEETING OF THE BOARD AND IT'S COMMITTEES

#### Board Meetings:

During the year ended 31st March, 2018, 4 (Four) Board Meetings were held i.e. on May 27, 2017, August 12, 2017, November 11, 2017 and February 10, 2018. Attendance of the Directors has been as follows:

Name of the Director	Whether attended the meetings held on			
	27.05.2017	12.08.2017	11.11.2017	10.02.2018
Late B.P. Agarwal (DIN 00041321)	YES	YES	NO	NO
Shri S.K. Agarwal (DIN 00546541)	YES	YES	YES	YES
Shri Gautam Ukil (DIN 00056595)	YES	YES	YES	YES
Shri S.Z. Hussain (DIN 00079558)	YES	YES	YES	YES
Shri H. Nahata (DIN 02297916)	YES	NO	YES	YES
Shri A. Dasgupta (DIN 01993187)	YES	YES	YES	YES

#### Audit Committee

##### i) Composition

The Audit Committee of the Board of Directors of the Company consists of Shri Gautam Ukil (DIN 00056595), Non- Executive Director, Shri S.Z. Hussain (DIN 00079558), Non-Executive Director, Shri A. Dasgupta (DIN 01993187), Non-Executive Director. Shri G. Ukil (DIN 00056595) being an Independent Director is the Chairman of the Committee. Mr. A. Lakhotia, Company Secretary acts as the Secretary of the Audit Committee.

##### ii) Attendance

4 (Four) Meetings of the Audit Committee were held during the financial year ended March 31, 2018 and the attendance of the members is as follows

Name of the Member of the Audit Committee	Whether attended the meetings held on			
	27.05.2017	12.08.2017	11.11.2017	10.02.2018
Shri Gautam Ukil (DIN 00056595)	YES	YES	YES	YES
Shri S.Z. Hussain (DIN 00079558)	YES	YES	YES	YES
Shri A. Dasgupta (DIN 01993187)	YES	YES	YES	YES

During the year there were no instances where the Board of Directors of the Company had not accepted the recommendations of the Audit Committee.

#### Nomination and Remuneration Committee

##### Composition

The Nomination & Remuneration Committee comprises three Non-Executive Independent Directors, viz. Shri Ashis Dasgupta (DIN 01993187), Sri Syed Zakir Hussain (DIN 00079558), Shri G.Ukil (DIN 00056595). Sri G.Ukil (DIN 00056595) is the Chairman of the Committee.

During the year ended March 31, 2018, no Nomination and Remuneration Committee meeting was held.

## KAMARHATTY COMPANY LIMITED

### **Remuneration of Directors:**

The details of remuneration paid to Late B.P.Agarwal (DIN 00041321) (demised on 7.12.17), Sri H.Nahata (DIN 02297916) and Shri S.K.Agarwal (DIN 00546541) as Directors during the year ended March 31, 2018 were as follows:

Sl.No.	Name of Directors	Total amount in Gross figure (Rs. in lakh)
1.	Late B.P. Agarwal (DIN 00041321)	7.95
2.	S.K. Agarwal (DIN 00546541)	11.23
3.	H.Nahata (DIN 02297916)	10.17
	<b>Total</b>	<b>29.35</b>

- (b) The remuneration to Non-Executive Directors is restricted only to Sitting Fee for attending the meetings of the Board, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee, Corporate Social Responsibility Committee. The Company presently pays sitting fee of Rs. 8000/- per meeting to its Non-Executive Directors for attending the meetings of the Board and Rs. 4000/- per meeting for attending the Audit Committee, Remuneration Committee, Shareholders'/Investors' Grievance Committee, Corporate Social Responsibility Committee, besides reimbursement of travelling and out-of-pocket expenses incurred by the Directors for attending the meetings. The details of sitting fees paid to the Non-Executive Directors during the year 2017-18 are given below:

Name	Board Meetings (Rs. in lakh)	Committee Meetings (Rs. in lakh)	Total (Rs. in lakh)
Shri G.Ukil (DIN 00056595)	0.32	0.16	0.48
Shri A.Dasgupta (DIN 01993187)	0.32	0.16	0.48
Shri Syed Zakir Hussain (DIN 00079558)	0.32	0.16	0.48

Apart from the above remuneration, none of the Directors had any pecuniary relationship or transactions with the Company.

- (i) Details of shares of the Company held by Non-Executive Directors as on 31st March, 2018 were as follows :

1. Mr G.Ukil – 500 equity shares
2. Mr. S.Z. Hussain – 100 equity shares

The Company has not issued any convertible instruments.

### **Stakeholders' Relationship Committee**

#### **Composition**

The Stakeholders Relationship Committee comprised of three Non-Executive Independent Directors, viz. Shri Ashis Dasgupta (DIN 01993187) , Sri Syed Zakir Hussain (DIN 00079558) Shri G.Ukil (DIN 00056595). Sri Syed Zakir Hussain (DIN 00079558) is the Chairman of the Committee.

During the year ended March 31, 2018, no Stakeholders Relationship Committee meetings were held.

#### **Redressal of Stakeholders Grievances are as follows:**

No. of Shareholders' complaints received during the year 2017-18	Nil
No. of complaints resolved to the satisfaction of Shareholders as on 31st March, 2018	Nil
No. of pending complaints as on 31st March, 2018	Nil

## KAMARHATTY COMPANY LIMITED

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### **Corporate Social Responsibility Committee**

#### **Composition**

The Corporate Social Responsibility Committee comprised of three Non-Executive Independent Directors and a Managing Director, viz. Shri Ashis Dasgupta (DIN 01993187), Sri Syed Zakir Hussain (DIN 00079558), Shri G.Ukil (DIN 00056595) and Sri Sushant Kumar Agarwal (DIN 00546541). Sri Syed Zakir Hussain (DIN 00079558) is the Chairman of the Committee.

During the year ended March 31, 2018, one Corporate Social Responsibility Committee meeting was held on 27.05.2017, in which all the above Directors were present.

#### **AUDITOR'S OBSERVATIONS**

The Report of the Auditors is self – explanatory and does not call for any further comments from the Directors.

#### **INTRODUCTION OF INDIAN ACCOUNTING STANDARDS (IND AS):**

As per the Directions issued by Ministry of Corporate Affairs, the companies and their auditors shall comply with Indian Accounting standards for the accounting periods beginning on or after 1st April 2018, with comparatives for the periods ending on 31st March 2018 for companies whose equity or debt securities are listed or in the process of being listed on any stock exchange in India or outside India and having networth of less than Rs.500 Crores. The Company has implemented the same.

#### **STATUTORY AUDITORS :**

M/s. Khandelwal Ray & Co., Chartered Accountants, (Firm Registration Number 302035E), were appointed as Statutory Auditors of the Company by the members at the 218th Annual General Meeting held on 23.09.2017 for period of 5 consecutive subject to ratification by the Members at every Annual General Meeting.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.e.f. 7th May, 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive, Annual General Meeting and no ratification of appointment of Statutory Auditors is required at the ensuing Annual General Meeting.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required under Section 134(3)(m) of the Companies Act,2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure – A , attached hereto and form a part of this Report.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(3) (c ) of the Companies, 2013, your Directors to their best of their knowledge and belief and according to the information and explanations obtained by them, make the following statements that :

- (i) That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Accounting Policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the period under review.
- (iii) That Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

## **KAMARHATTY COMPANY LIMITED**

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- (iv) That the annual accounts for the financial year ending 31st March, 2018, have been prepared on a going concern basis.
- (v) That they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ; and
- (vi) That they have devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

### **PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT**

The Company has not given any loan, guarantee or made any investment exceeding sixty percent of paid up share capital , free reserves and security premium account or hundred percent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Act .

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Particulars of contracts/arrangements with related parties in term of Section 188(1) of the Act is provided in Form No AOC – 2 which is annexed as Annexure – G ' which forms part of the Report.

### **TRANSFER TO RESERVES**

No amount is proposed to be transferred to any reserve during the year.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has made a contribution, of a sum of Rs.1,68,186 (Rupees One Lakh Sixty Eight Thousand One Hundred Eighty Six only) in the Financial Year ending March 2018 for socio-economic development, relief and welfare of the Scheduled castes, promoting gender equality and empowering women, for the promotion of sports, eradicating poverty etc. The disclosures as per Section 135 of the Companies Act, 2013 are given in Annexure 'I'.

### **BOARD EVALUATION**

Pursuant to the provisions of Section 134(3)(p) of the Act, the Board has carried out an annual performance evaluation of its own performance , the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees.

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

In terms of provisions of Section 134(3)(a) of the Act, the extract of the Annual Return as provided under Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rule 2014 in Form No – MGT-9 , is annexed as Annexure – ' F ' which forms part of the Report.

### **SIGNIFICANT AND MATERIAL ORDERS**

There is no significant and material order passed by any of the regulators, court of law or tribunals impacting the going concern status of the Company or its operations in future.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

There are adequate internal control procedures commensurate with the size, scale and complexity of its operation, which are well supplemented by surveillance of Internal Auditors.

### **RISK MANAGEMENT POLICY**

In terms of the requirement of the provisions of Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. The Company continues with its emphasis on jute products without losing sight of

## KAMARHATTY COMPANY LIMITED

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the value of its human resources. Your Company recognizes the need to control and limit the risk, which it faces in day to day course of the business. The Company is exposed to certain financial risks- principally interest rate risk, liquidity risk, credit risk and risks associated with the economy, regulations, competition among others. These risks are managed through Risk Management Policies that are designed to minimize the potential adverse effects of these risks on financial performance of the Company. The Policy contains the procedures to inform the Board Members about the risk assessment and minimization process. These processes are periodically reviewed to ensure that the management of the Company controls risk and runs through a well-defined framework.

### **COST AUDITORS**

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s SPK Associates, Cost Accountants, as Cost Auditor of the Company, subject to approval(s) as may be necessary, for auditing the cost accounts of the Company relating to Jute products for the financial year 2018-19 at a remuneration of Rs.25,000/- (Rupees Twenty five thousand only) and taxes at the applicable rate and reimbursement of out of pocket expenses at actuals.

### **SECRETARIAL AUDIT**

The Company has appointed M/s Monika Jain, Company Secretaries in practice as Secretarial Auditors of the Company to conduct the Secretarial Audit for the financial year ended 31st March, 2018. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed as Annexure 'H' which forms part of the Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the appointment of Woman Director. The Company is in regular search of suitable person as per eligible search criteria for filling the position of Woman Director in the Company but not yet received any suitable applications for the same. However, the company would ensure in future that all the provisions are complied to the fullest extent.

### **VIGIL MECHANISM**

A Vigil Mechanism Policy has been formulated for Directors and Employees to report their genuine concerns or grievances. This policy provides for adequate safeguards against victimization of persons who use such mechanism. Necessary provision is in place for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

### **FRAUD REPORTING**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

The Company has a policy of zero tolerance for sexual harassment at 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.

During the year, the Company has not received any complain on sexual harassment.

### **PARTICULARS OF EMPLOYEES :**

During the period under review, no employee of the Company drew remuneration in excess of the limits specified under the provisions of Section 197(12) of the Companies Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no disclosure is required to be made in the Annual Report.

## KAMARHATTY COMPANY LIMITED

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### ACNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended to the Company by the Government of West Bengal, Financial Institutions, the Company's Bankers, Shareholders Suppliers, Customers, and Business associates. Your Directors also place on record their appreciation for the services of all the workers, staffs and executives, which is largely reflected in the performance of the Company.

### Registered Office

16A, Brabourne Road  
Kolkata 700 001  
Date :14th August, 2018

**Harsh Nahata**  
*Wholetime Director*  
(DIN 02297916)

On behalf of the Board  
For **Kamarhatty Co. Ltd.**

**S.K.Agarwal**  
*Chairman cum Managing Director*  
(DIN 00546541)



**KAMARHATTY COMPANY LIMITED**  
**ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018**

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**ANNEXURE – 'A'**

**Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rule, 2014.**

**A. CONSERVATION OF ENERGY:**

- a. Energy Conservation measure taken:
  - i. Rearrangement and better distribution of power system.
  - ii. Changing of Motors for improving efficiency as required.
- b. Additional investment and proposals if any, being implemented for reduction of energy. Energy conservation is an ongoing process with the Company. The Company is exploring other areas where energy conservation measures can be taken up. Investment will be considered after the area is identified.
- c. Impact for measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
  - i. Improvement of power factor, smooth working of Electrical system and saving of energy.
  - ii. Better machine productivity and increase in longevity of the machines. However, the reduction in cost of production for goods to the extent of saving in cost of energy was mitigated with upward revision in rates of electricity charges.

**B. TECHNICAL ABSORPTION:**

**FORM A**

Research and Development (R&D)

1. Specific areas in which R & D carried out by the Company: Efforts are being made to reduce generation of cutting and up-gradation of low-grade fibre by applying additives to save on Raw Jute cost with the help of IJIRA and other experts. Continued efforts are being made to save consumption of Jute batching oil (JBO) with various scientific techniques in consultation with IJIRA and other experts.
2. Benefits derived as a result of the above : Saving in material (Raw Jute & Batching Oil)
3. Future Plan of Action : Besides carrying out existing activities, efforts are being made for future improvements.
4. Expenditure on R & D : In accordance with the Company's consistent practice, expenditure incurred on R & D activities remains merged with various heads including members subscription paid to IJIRA, Kolkata.
  - a) Capital
  - b) Recurring
  - c) Total
  - d) Total of R&D expenditure as percentage of turnover :

**Technology Absorption, Adaptation & Innovation:**

1. Efforts in brief made towards technology absorption, adaptation and innovation : Suitable equipments are being procured to conform to the latest technology
2. Benefits delivered as a result of above efforts, : Improvement in productivity and quality of products.  
e.g. output improvement, cost reduction, product development, import substitution
3. Details of imported technology : No technology has been imported so far.

## KAMARHATTY COMPANY LIMITED

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### C. FOREIGN EXCHANGE EARNING AND OUTGO:

- a) Activities relating to export initiative taken : The Jute division of the Company has made increase exports, development of new export strenuous effort to enter into export market market for products and services and and has been able to procure orders. export plans.

- b) Foreign Exchange earnings & outgo: Details of Foreign exchange Earnings and Outgo are as under:-

	<u>(Rs. in Lakh)</u> <u>Current Year</u>	<u>(Rs. in Lakh)</u> <u>Previous Year</u>
i) Total Foreign Exchange Used	2166.08	2676.02
ii) Total Foreign Exchange Earned (FOB Value)	880.25	567.35

For and on behalf of the Board

**S.K.Agarwal**  
*Chairman cum Managing Director*  
(DIN 00546541)

Place: Kolkata

Dated: 14th August, 2018

# KAMARHATTY COMPANY LIMITED

## ANNEXURE – 'B'

### **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) and 53 (f) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### **A. Compliance of Mandatory Requirements.**

##### **I. Companies Philosophy on Code of Governance**

The Company believes that good corporate governance consists of a combination of business practices which result in enhancement of the value of the Company to the shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, vendors, employees and financiers and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavors to uphold and nurture these core values in all aspects of its operations.

##### **II. Board of Directors**

- (i) The composition of the Board is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.
- (ii) The Company has an Executive Chairman and the number of Independent Directors is half the numbers of the total number of Directors.
- (iii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all companies in which he is a Director.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year ended 31st March, 2018 and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders'/Investors' Grievance Committee.

The following is the composition of the Board of Directors as on 31st March 2018.

Name	Category	No. of Board Meetings attended during the year	Whether attended last AGM	No of other Directorships and Committee Members / Chairmanships held	
				Other Directorships	Other Committee Memberships
Shri S.K.Agarwal (DIN 00546541)	Managing Director	4	YES	10	NIL
Shri Gautam Ukil (DIN 00056595)	NED & ID	4	YES	2	1
Shri S.Z.Hussain (DIN 00079558)	NED & ID	4	YES	1	NIL
Shri H.Nahata (DIN 02297916)	ED	3	YES	8	NIL
Shri A.Dasgupta (DIN 01993187)	NED & ID	4	YES	1	NIL

NED: Non-Executive Director; ED: Executive Director; ID: Independent Director;

## KAMARHATTY COMPANY LIMITED

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### a) Meeting and Attendance

During the year under review, four Board Meetings were held on 27/05/2017, 12/08/2017, 11/11/2017 and 10/02/2018.

### III. Audit Committee

- (i) The Company has a qualified and independent Audit Committee comprising of three Non- executive Independent Directors. Its terms of reference were in conformity with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchange. The Managing Director, Chief Financial Officer and the Statutory Auditors were regular invitees to the Committee Meetings. The terms of reference also confirm to the requirement of Section 177 of the Companies Act, 2013.
- (ii) The terms of reference of the Audit Committee are broadly as under :
- a. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
  - c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
    - Any changes in accounting policies and practices.
    - Major accounting entries based on exercise of judgment by management.
    - Qualifications in draft audit report
    - Significant adjustments arising out of audit
    - The going concern assumption
    - Compliance with accounting standards
    - Compliance with stock exchange and legal requirements concerning financial statements.
    - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
  - d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
  - e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - f. Discussion with internal auditors any significant findings and follow up thereon.
  - g. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - h. Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
  - i. Reviewing the company's financial risk management policies.
- (iii) The Audit Committee comprises three Non-Executive Directors, viz. Sri A.Dasgupta (DIN 01993187), Shri G.Ukil (DIN 00056595) and Shri Syed Zakir Hussain (DIN 00079558). Shri G.Ukil (DIN 00056595) being an Independent Director is the Chairman of the Committee. During the year ended March 31, 2018, four Audit Committee meetings were held on 27/05/2017, 12/08/2017, 11/11/2017, 10/02/2018.

## KAMARHATTY COMPANY LIMITED

The attendance of the Directors at Audit Committee Meetings held during the year 2017-18 was as under:

Committee members	Designation	No. of Audit Committee Meetings attended
Shri Gautam Ukil (DIN 00056595)	Chairman	4
Shri Syed Zakir Hussain (DIN 00079558)	Director	4
Shri A.Dasgupta (DIN 01993187)	Director	4

#### IV. Nomination & Remuneration Committee:

- (i) The Board constituted a Remuneration Committee in accordance with the requirements of Section 178 of the Companies Act, 2013; its terms of reference were in conformity with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement entered into with the Stock Exchanges.
- (ii) The Nomination & Remuneration Committee comprises three Non-Executive Independent Directors, viz. Shri Ashis Dasgupta (DIN 01993187), Sri Syed Zakir Hussain (DIN 00079558) , Shri G.Ukil (DIN 00056595) . Sri G.Ukil (DIN 00056595) is the Chairman of the Committee.

During the year ended March 31, 2018, no Nomination and Remuneration Committee meeting were held.

#### Remuneration of Directors:

- (a) The details of remuneration paid to Late B.P.Agarwal (DIN 00041321) , Sri H.Nahata (DIN 02297916) and Shri S.K.Agarwal (DIN 00546541) as Directors during the year ended March 31, 2018 were:

Sl.No.	Name of Directors	Total amount in Gross figure (Rs. in lakh)
1.	Late B.P. Agarwal (DIN 00041321)	7.95
2.	S.K. Agarwal (DIN 00546541)	11.23
3.	H.Nahata (DIN 02297916)	10.17
	<b>Total</b>	<b>29.35</b>

- (b) The remuneration to Non-Executive Directors is restricted only to Sitting Fee for attending the meetings of the Board, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee. The Company presently pays sitting fee of Rs. 8000/- per meeting to its Non-Executive Directors for attending the meetings of the Board and Rs. 4000/- per meeting for attending the Audit Committee Remuneration Committee and Shareholders'/Investors' Grievance Committee, besides reimbursement of travelling and out-of-pocket expenses incurred by the Directors for attending the meetings. The details of sitting fees paid to the Non-Executive Directors during the year 2017-18 are given below:

Name	Board Meetings (Rs.in lakh)	Committee Meetings (Rs. in lakh)	Total (Rs.in lakh)
Shri G.Ukil (DIN 00056595)	0.32	0.16	0.48
Shri A.Dasgupta (DIN 01993187)	0.32	0.16	0.48
Shri Syed Zakir Hussain(DIN 00079558)	0.32	0.16	0.48

Apart from the above remuneration, none of the Directors had any pecuniary relationship or transactions with the Company.

## KAMARHATTY COMPANY LIMITED

(iii) Details of shares of the Company held by Non-Executive Directors as on 31st March, 2018 were as follows :

1. Mr G.Ukil - 500 equity shares
2. Mr. S.Z. Hussain - 100 equity shares

The Company has not issued any convertible instruments.

### V. Stakeholders Relationship Committee

(i) The Board constituted a Stakeholders Relationship Committee in accordance with the requirements of Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchanges. This Committee deals with grievances like delay in the transfer of shares, non-receipt of the Annual Report, etc.; and approves the transfer, sub-division, transmission, issue of duplicate shares etc.

(ii) The Stakeholders Relationship Committee comprised of three Directors, viz .Shri G.Ukil (DIN 0056595), Shri Syed Zakir Hussain (DIN 00079558) , Sri Ashis Dasgupta (DIN 01993187). Shri Syed Zakir Hussain (DIN 00079558), Non-Executive and Independent Director is the Chairman.

During the year ended March 31, 2018, no Stakeholder Relationship Committee meeting were held.

(iii) Redressal of Stakeholders Grievances are as follows:

No. of Shareholders' complaints received during the year 2017-18	Nil
No. of complaints resolved to the satisfaction of Shareholders as on 31st March, 2018	Nil
No. of pending complaints as on 31st March, 2018	Nil

### VI. Corporate Social Responsibility Committee

#### Composition

The Corporate Social Responsibility Committee comprised of three Non-Executive Independent Directors and a Managing Director, viz. Shri Ashis Dasgupta (DIN 01993187), Sri Syed Zakir Hussain (DIN 00079558), Shri G.Ukil (DIN 00056595) and Sri Sushant Kumar Agarwal (DIN 00546541), Sri Syed Zakir Hussain (DIN 00079558) is the Chairman of the Committee.

During the year ended March 31, 2018, one Corporate Social Responsibility Committee Meeting was held on 27.05.2017, in which all the above Directors were present.

### VII. General Body Meetings

(i) Particulars of the last three AGMs

Year	Venue	Date	Time
2016-2017	16A Brabourne Road	23.09.2017	11.00 AM
2015-2016	16A Brabourne Road	29.09.2016	11.00 AM
2014-2015	16A Brabourne Road	28.09.2015	11.00 AM

### VIII. Disclosures

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no materially significant related party transactions, which may have potential conflict with the interest of the Company at large. However, the list of related party relationships or transactions as required to be disclosed in accordance with IND-AS 24 issued by the Institute of Chartered

## KAMARHATTY COMPANY LIMITED

Accountants of India has been given in Additional Notes to Financial Statements in Note No.30 to the Financial Statements for 2017-18.

- (ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil
- (iii) The Company has complied with all the mandatory requirements of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as detailed herein.

### IX. Means of communication

The quarterly, half yearly and the annual financial results are normally published in the political and business daily (English) and Sukhabar (Bengali).

Management Discussion and Analysis Report forms part of this Annual Report to the Shareholders of the Company.

### X. General Shareholder Information:

#### (i) Annual General Meeting:

Date	:	29th September, 2018
Time	:	11:00 A.M
Venue	:	16A, Brabourne Road, Kolkata – 700 001

#### (ii) Financial calendar 2018-19

The Financial Year of the Company is April to March. Publication of Results for the year 2018-19 will be as follows (tentative): -

First quarter ending June 30, 2018 (Unaudited)	Mid of August, 2018
Half year ending September 30, 2018 (unaudited)	Mid of November, 2018
Third Quarter ending December 31, 2018 (Unaudited)	Mid of February , 2019
Year ending March 31, 2019 (Audited)	End of May, 2019

#### (iii) Date of Book Closure :

From 24th September, 2018 to 29th September, 2018 (both days inclusive)

#### (iv) Dividend Payment date :

The Directors have not recommended any Dividend for the year ended 31st March, 2018.

#### (v) Listing on Stock Exchanges :

The Company's Equity Shares are listed at:

Sl. No.	Name of Stock Exchanges	Stock Code
1	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata – 700 001	A - 4

## KAMARHATTY COMPANY LIMITED

### (vi) Market Price Data :

Monthly high and low quotations of shares traded on the Stock Exchange at Calcutta Stock Exchange.

Month	CSE	
	High	Low
April 2017	NIL	NIL
May 2017	NIL	NIL
June 2017	NIL	NIL
July 2017	NIL	NIL
August 2017	NIL	NIL
September 2017	NIL	NIL
October 2017	NIL	NIL
November 2017	NIL	NIL
December 2017	NIL	NIL
January 2018	NIL	NIL
February 2018	NIL	NIL
March 2018	NIL	NIL

### (vii) Registrar and Transfer Agents

Name and Address	:	Maheshwari Datamatics Pvt Ltd. 6,Mangoe Lane, Kolkata – 700 001
Phone No.	:	91 33 2243-5809/5029
Fax No.	:	91 33 22484787
Email	:	mdpldc@yahoo.com

The shareholders holding shares in the electronic form should address their correspondence to their respective depository participants.

### (viii) Share Transfer System:

Transfer of Shares held in electronic form is done through the depositories with no involvement of the Company. Regarding transfer of shares in physical form, the transfer documents are processed by the Company's Registrar and Transfer Agents (RTA) at the above mentioned address normally within 15 days from the date of receipt and the Share Certificates returned duly transferred in favour of transferees, if the documents are complete in all respects. Share Transfers under objections are returned immediately.

### (ix) Shareholding as on 31st March, 2018

#### (a) Distribution of shareholding :

No of Shares	Shareholders		Shares	
	Number	%	Number	%
Upto 500	790	92.7230	65931	1.1738
501 to 1000	19	2.2300	15009	0.2672
1001 to 2000	3	0.3521	3570	0.0636
2001 to 3000	2	0.2347	4770	0.0849
5001 to 10000	2	0.2347	19000	0.3383
10001 and above	36	4.2254	5508720	98.0723
<b>Total</b>	<b>852</b>	<b>100.0000</b>	<b>5617000</b>	<b>100.0000</b>



## KAMARHATTY COMPANY LIMITED

### (b) Shareholding Pattern as on 31st March 2018

Sl No	Category of Shareholder	No. of Shareholders	Total No. of shares (in lakh)	No of Shares held in Demat Form (in lakh)	Total Shareholding as a % of Total Shares	
					As a % of (A + B)	As a % of (A + B + C)
A	Shareholding of Promoter & Promoter Group					
1.	Indian					
a.	Individuals/Hindu Undivided Family	5	14.09	14.09	25.0929	25.0929
b.	Central/State Government(s)					
c.	Bodies Corporate	8	17.19	NIL	30.6053	30.6053
d.	Financial Institutions/Banks					
e.	Any other (specify)					
	<b>Sub Total (A1)</b>	<b>13</b>	<b>31.29</b>	<b>14.09</b>	<b>55.6982</b>	<b>55.6982</b>
2.	Foreign					
a.	Individuals/Hindu Undivided Family					
b.	Bodies Corporate					
c.	Financial Institutions/Banks					
d.	Any other (specify)					
	<b>Sub Total (A2)</b>	<b>13</b>	<b>31.29</b>	<b>14.09</b>	<b>55.6982</b>	<b>55.6982</b>
	<b>Total Shareholding of Promoter and Promoter Group A(A)(1)+(A)(2)</b>					
B	Public Shareholding					
1.	Institutions					
a.	Mutual Funds / UTI					
b.	Financial Institutions/Banks	13	0.05	0.00	.0831	.0831
c.	Central/State Government(s)					
d.	Venture Capital Funds					
e.	Insurance Companies					
f.	Foreign Institutional Investors					
g.	Foreign Venture Capital Investors					
h.	Foreign National					
	<b>Sub Total (B1)</b>	<b>13</b>	<b>0.05</b>	<b>0.00</b>	<b>0.0831</b>	<b>0.0831</b>
2.	Non-Institutions					
a.	Bodies Corporate	30	8.30	0.01	14.7696	14.7696
b.	Individuals Holding					
i.	Nominal share capital upto Rs.2 lac	773	1.45	0.19	2.5815	2.5815
ii.	Nominal share capital in excess of Rs. 2 lac	12	15.09	9.48	26.8675	26.8675
c.	Any other					
	<b>Sub Total (B2)</b>	<b>815</b>	<b>24.84</b>	<b>9.68</b>	<b>44.2186</b>	<b>44.2186</b>
	<b>Total Public Shareholding B=(B)(1)+(B)(2)</b>	<b>828</b>	<b>24.88</b>	<b>9.68</b>	<b>44.3018</b>	<b>44.3018</b>
	<b>TOTAL (A) + (B)</b>	<b>841</b>	<b>56.17</b>	<b>23.78</b>	<b>100</b>	<b>100</b>
C.	Shares held by Custodians & against which Depository Receipts have been issued					
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>841</b>	<b>56.17</b>	<b>23.78</b>	<b>100</b>	<b>100</b>

## KAMARHATTY COMPANY LIMITED

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(x) Dematerialisation of shares and liquidity

The shares of the Company are traded in dematerialised form with the depository National Securities Depository Ltd. (NSDL). As on March 31, 2018, 42.33% shares of the Company had been dematerialized.

The Company's shares are traded on the Calcutta Stock Exchange Association Ltd.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company is INE 176F01019.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

Not applicable.

(xii) Plant Location :

1, Graham Road  
P.O. Kamarhatty  
Kolkata – 700 058 (North 24 Parganas)

(xiii) Address for correspondence :

KAMARHATTY COMPANY LIMITED  
16 A, Brabourne Road,  
Kolkata-700001  
Fax No. 2221-5887  
Phone No. 4021-1900  
Email : jute@kamarhatty.com  
Website : www.kamarhatty.com

### **B. Compliance of Non-Mandatory Requirements**

The Company has not yet adopted the non-mandatory requirements specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except constitution of Remuneration Committee.

#### **Code of Conduct Compliance Declaration**

This is to confirm that the company has adopted a Code of Conduct for its Board Members & Senior Management Personnel.

It is hereby confirmed that the Company has in respect of the financial year ended March 31st 2018, received from the senior management of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Kolkata.  
Dated: 14th August, 2018

**S.K. Agarwal**  
Chairman

## KAMARHATTY COMPANY LIMITED

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### ANNEXURE – 'C'

#### Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Kamarhatty Company Ltd for the year ended on 31st March 2018 as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said company with the Calcutta Stock Exchange.

The compliance of conditions of Corporate governance is the responsibility of management. Our examination was limited to procedure and implementation thereof adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

As on 31st March 2018 no investor grievance was pending for a period exceeding one month against the Company as per records maintained by the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

Place: Kolkata

Dated :14th August,2018

For **Khandelwal Ray & Co**

*Chartered Accountants*

**(S. Khandelwal)**

*Partner*

Membership No.054451

# KAMARHATTY COMPANY LIMITED

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## ANNEXURE – 'D'

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates disclosure under specific heads which are given in the following paragraphs and which continue to be followed in the internal course of the Company's business over the years in discussions amongst the Directors and other Senior Management Personnel.

#### **a) Industry Structure and Developments**

Under Jute Packaging Material (Compulsory use in packing commodities) Act, 1987 (JPMA), order for compulsory packing of food grain at 90% and sugar at 20% continues up to 30th September, 2018. We are hopeful that the Government will further extend the Order and shall maintain the existing norms of packaging without further dilution in the larger interest of the Jute industry.

The availability of raw jute was comfortable throughout the year at reasonable price.

In promoting the exports of Jute Goods from India, Government has increased the rate of rewards in the form of duty free scrips from 5% to 7% of realized FOB value in free foreign currency under Merchandise Exports from India Scheme (MEIS) effective from 1st November, 2017. Moreover, National Jute Board is also continuing various welfare schemes for jute mill workers, export market development assistance and incentive scheme for acquisition of Plant & Machinery.

In order to achieve overall growth of the Jute Industry, we are of the view that there is a need to lay thrust on manufacturing more diversified jute goods, carry out more research and development and make required capital investment as a result thereof.

#### **b) Opportunity Threats and Risks & Concerns**

##### **Opportunities:**

Awareness to use eco-friendly, bio degradable jute goods across the world will keep jute goods always in demand.

##### **Threats:**

- (i) Lack of incentive to farmers to take up jute cultivation on regular basis affects the jute crop.
- (ii) Shortage of workers posing threat to maintain desirable capacity utilization.

##### ***The areas of risk & concern which may pose threat to Jute Industry includes :-***

- Competition/continuous threat from the substitute synthetic packaging industry;
- Competition from Bangladesh in export market due to inherent disadvantage in wage and power cost ;
- Continuous increase in dearness allowance leading to rise in wage cost is a major area of concern
- Gradual abolition of benefits in the form of Export Market Assistance ;
- Competition from new grass root units operating at lower wage cost & overheads as compared to the existing old units.
- Non-implementation of the agreement relating to productivity linked Wages and increasing Wage Cost of the worker.

## KAMARHATTY COMPANY LIMITED

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### **c) Segment-wise or Product-wise Performance**

As stated in Note No. 31 in Notes to Financial Statements for the year under review, the Jute production continues to be the core activity of the company, the performance of which has already been appropriately stated in the Directors' Report of which this particular report forms an Annexure. Kraft Paper Unit and Fine Yarn Unit are running smoothly and helping Company in financial segment.

### **d) Outlook**

As of now, jute crop for the season 2018-19 appears to be lower, despite favourable weather conditions as the initial reports of sowing percentage for the new crop are not very encouraging. Moreover, the carryover from the last season would be lower than the previous year.

### **e) Risks & Concerns**

The Company continues with its emphasis on jute products without losing sight of the value of its human resources.

### **f) Internal Control Systems & their Adequacy**

The Company has established an adequate system of internal control which provide reasonable assurance with regard to safeguard Company's asset, improving operational efficiency, reducing avoidable expenditure and ensuring compliance with various statutory provisions. A qualified and independent Audit Committee reviews the Internal Audit Reports and steps are taken to implement suggestion of the internal auditors.

### **g) Financial & Operational Performances**

During the year under review , your Company achieved a gross turnover of Rs.16340.64 lacs as against Rs. 17859.54 lacs in the previous year , an decrease of 8.50% as compared to the previous year.

During the year under review , the Company achieved a Profit before Tax of Rs.284.72 lacs as against a Profit before Tax of Rs. 354.48 lacs in the previous year a decrease of 19.67% as compared to the previous year .

### **h) Material Developments in Human Resources/Industrial Relations Front**

The relationship with the employees was harmonies and cordial through the year.

### **i) Cautionary Statement**

Statements made above in this section of the Report with regard to future outlook and performance is on the basis of prevailing industry scenario and market conditions as envisaged by us. Actual results may differ materially from those expressed in the statement.

## KAMARHATTY COMPANY LIMITED

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### ANNEXURE – ‘E’ CEO AND CFO CERTIFICATION

We, S.K. Agarwal (DIN :00546541), Chairman cum Managing Director and P. Rakshit, Chief Financial Officer (CFO) responsible for the finance function certify that:-

1. We have reviewed the financial statements of the Company and the cash flow statement for the year 2017-2018 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading:
  - ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. We also certify that based on our knowledge and the information provided to us, there are no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
4.
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Regd. Office:**

16A, Brabourne Road  
Kolkata – 700 001

Dated: 14th August, 2018

**P. Rakshit**  
*Chief Financial Officer*

**S.K. Agarwal**  
*Chairman cum Managing Director*  
(DIN :00546541)

## KAMARHATTY COMPANY LIMITED

### ANNEXURE-F

#### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

<b>I. REGISTRATION AND OTHER DETAILS</b>	
(i) CIN	L51109WB1977PLC000361
(ii) Registration Date	28-09-1877
(iii) Name of the Company	KAMARHATTY COMPANY LTD
(iv) Category / Sub-Category of the Company	Public Limited Company by Shares
(v) Address of the Registered Office and contact details	16A. Brabourne Road, Kolkata - 700 001 Phone :- 91-33-40211917/1901 e-mail - jute@kamarhatty.com
(vi) Whether listed company	Yes
(vii) Name, address and contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT LTD, 6 MANGOE LANE, 2ND FLOOR, KOLKATA - 700001 PHONE - 91-33-22435029/5809 e-mail - mdpldc@yahoo.com

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-			
<b>Sr. No.</b>	<b>Name and Description of main Businesses</b>	<b>NIC Code of the Product/service</b>	<b>% of Total Turnover of the Company</b>
1	JUTE PRODUCTS	131,139	89.63%
2	PAPER PRODUCTS	-	10.37%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
<b>Sr. No.</b>	<b>Name &amp; Address of Company</b>	<b>CIN / GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
1	KAMARHATTY POWER LTD	U40105WB2005PLC102730	SUBSIDIARY	63.02%	

## KAMARHATTY COMPANY LIMITED

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(No. of Shares in lakhs)

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				%change over Previous Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
<b>A Promoters</b>									
(1) Indian									
a) Individual/HUF	14.09	-	14.09	25.09	14.09	-	14.09	25.09	-
b) Central Govt.or State Govt.									
c) Bodies Corporates		17.19	17.19	30.60		17.19	17.19	30.60	
d) Bank/FI									
e) Any other									
<b>SUB TOTAL:(A) (1)</b>	14.09	17.19	31.29	55.69	14.09	17.19	31.29	55.69	
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>SUB TOTAL (A) (2)</b>									
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	14.09	17.19	31.29	55.69	14.09	17.19	31.29	55.69	
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI	0.00	0.04	0.05	0.08	0.00	0.04	0.05	0.08	
c) Cenntral govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	0.00	0.04	0.05	0.08	0.00	0.04	0.05	0.08	
(2) Non Institutions									
a) Bodies corporates	0.01	8.29	8.30	14.77	0.01	8.29	8.30	14.77	0
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	0.19	1.26	1.45	2.58	0.19	1.26	1.45	2.58	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	9.48	5.61	15.09	26.87	9.48	5.61	15.09	26.87	0
c) Others (specify)									
<b>SUB TOTAL (B)(2):</b>	9.68	15.16	24.84	44.22	9.68	15.16	24.84	44.22	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	9.68	15.20	24.88	44.30	9.68	15.20	24.88	44.30	
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	23.78	32.39	56.17	100.0	23.78	32.39	56.17	100.0	



## KAMARHATTY COMPANY LIMITED

### ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareheld at the beginning of the year			Shareheld at the end of the year			% change in share holding during the year
		No. of Shares (in lakh)	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares (in lakh)	% of total shares of the Company	% of Shares Pledged encumbered	
1	Tornado Consultants Ltd.	8.35	14.87	-	8.35	14.87	-	-
2	Echolac Trexim Ltd.	5.00	8.90	-	5.00	8.90	-	-
3	Niramaya Investment & Dealers Ltd.	2.91	5.18	-	2.91	5.18	-	-
4	Annapurna Commercial Co. Ltd.	0.93	1.66	-	0.93	1.66	-	-
5	Sushant Kumar Agarwal	3.70	6.59	-	3.70	6.59	-	-
6	Badri Prasad Agarwal	5.88	10.48	-	0.82	1.46	-	-
7	Kalpana Agarwal	2.47	4.41	-	2.47	4.41	-	-
8	Shakuntala Devi Agarwal	2.04	3.62	-	7.10	12.64	-	-
	<b>Total</b>	<b>31.29</b>	<b>55.70</b>	<b>0</b>	<b>31.29</b>	<b>55.70</b>		

### iii) Change in Promoters' Shareholding (Specify, if there is no change)

There is no change in Promoters shareholding

### iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares (in lakh)	% of total shares of the Company	No. of Shares (in lakh)	% of total shares of the Company
1	MALSISAR CONVERTING MACHINERY P LTD	5.50	9.79	5.50	9.79
2	VIRENDRA KUMAR NAHATA	2.28	4.06	2.28	4.06
3	SWETA AGARWAL	1.78	3.16	1.78	3.16
4	SARITA AGARWAL	1.17	2.08	1.17	2.08
5	RISHI NAHATA	1.00	1.78	1.00	1.78
6	HITESH KUMAR AGARWAL	2.47	4.40	2.47	4.40
7	DHARMESH KUMAR AGARWAL	2.07	3.68	2.07	3.68
8	HITESH KUMAR AGARWAL (HUF)	0.75	1.34	0.75	1.34
9	DHARMESH KUMAR AGARWAL (HUF)	0.75	1.34	0.75	1.34
10	EXCELLENT MERCHANTS P LTD	0.60	1.07	0.60	1.07

### (v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares (in lakh)	% of total shares of the Company	No. of Shares (in lakh)	% of total shares of the Company
1	SUSHANT KUMAR AGARWAL	3.70	6.59	3.70	6.59
2	HARSH NAHATA	2.08	3.70	2.08	3.70

## KAMARHATTY COMPANY LIMITED

### vi) INDEBTEDNESS

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

	Secured Loans (excluding deposits) (Rs in Lakh)	Unsecured Loans (Rs in Lakh)	Deposits Indebtedness (Rs in Lakh)	Total (Rs in Lakh)
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	2,304.99	838.69	166.18	3,309.86
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,304.99</b>	<b>838.69</b>	<b>166.18</b>	<b>3,309.86</b>
<b>Change in Indebtedness during the financial year</b>				
Additions		431.87	13.65	445.52
Reduction	123.58			123.58
<b>Net Change</b>	<b>(123.58)</b>	<b>431.87</b>	<b>13.65</b>	<b>321.94</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,181.41	1,270.55	179.83	3,631.79
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,181.41</b>	<b>1,270.55</b>	<b>179.83</b>	<b>3,631.79</b>

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rs. in lakh)

Sl. No	Particulars of Remuneration	Wholetime Director Late Badri Prasad Agarwal	Managing Director Sri Sushant Kr. Agarwal	Executive Director Sri Harsh Nahata	Total Amount
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	7.95	11.23	10.17	29.35
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961				
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission as % of profit others (specify)				
5	Others, please specify				
	<b>Total (A)</b>	<b>7.95</b>	<b>11.23</b>	<b>10.17</b>	<b>29.35</b>
	Ceiling as per the Act	Payment is within the limits as prescribed under section 198 of companies Act,2013			

## KAMARHATTY COMPANY LIMITED

### B. Remuneration to other directors :

(Rs. in lakh)

Sl. No	Particulars of Remuneration	Name of Director			Total Amount
		Sri Gautam Ukil	Sri Syed Zakir Hussain	Sri Ashis Das Gupta	
(a)	Fee for attending board committee meetings	0.48	0.48	0.48	1.44
(b)	Commission				
(c)	Others, please specify				
	<b>Total (1)</b>	0.48	0.48	0.48	1.44
2	Other Non Executive Directors				
(a)	Fee for attending board committee meetings				
(b)	Commission				
(c)	Others, please specify.				
	<b>Total (2)</b>				
	<b>Total (B)=(1+2)</b>	0.48	0.48	0.48	1.44
	Total Managerial Remuneration (A+B)				30.79
	Overall Ceiling as per the Act.	Payment is within limits of provision of law			

### C. Remuneration to key Managerial personnel otherthan MD/Manager/WTD

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Sri Pradip Rakshit	Total Amount
1	Gross Salary	CFO	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	6.53	6.53
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission as % of profit others, specify		
5	Others, please specify		
	<b>Total</b>	6.53	6.53

(Rs. in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Sri Anand Lakhotia	Total Amount
1	Gross Salary	Company Secretary	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1.01	1.01
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission as % of profit others, specify		
5	Others, please specify		
	<b>Total</b>	1.01	1.01

### (viii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

NONE

## KAMARHATTY COMPANY LIMITED

### ANNEXURE-‘G’

#### 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.

The Kamarhatty Company Ltd has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length during the financial year 2017-18

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Shri Sushant Kumar Agarwal Chairman cum Managing Director son of Late Badri Prasad Agarwal
	Nature of contracts/arrangements/transaction	Appointment as Managing Director
	Duration of the contracts/arrangements/transaction	Five years with effect from 1st April,2014
	Salient terms of the contracts or arrangements or transaction including the value, if any	Salary Rs.66,000/- per month with annual increment (up to a maximum of Rs.6000/- p.m )* as may be decided by Board. *Plus other allowances, perquisites, benefits and amenities as per rules of the Company.
	Date of approval by the Board	08th February,2014
	Amount paid as advances, if any	NIL
2	Name (s) of the related party & nature of relationship	Late Badri Prasad Agarwal Father of Shri Sushant Kumar Agarwal, Managing Director
	Nature of contracts/arrangements/transaction	Appointment as Whole Time Director
	Duration of the contracts/arrangements/transaction	Five years with effect from 1st April,2014
	Salient terms of the contracts or arrangements or transaction including the value, if any	Salary Rs.69,000/- per month with annual increment (up to a maximum of Rs.6000/- p.m)* as may be decided by Board. *Plus other allowances, perquisites, benefits and amenities as per rules of the Company.
	Date of approval by the Board	08th February,2014
	Amount paid as advances, if any	NIL

## KAMARHATTY COMPANY LIMITED

SL. No.	Particulars	Details
3	Name (s) of the related party & nature of relationship	Shri Harsh Nahata Executive Director
	Nature of contracts/arrangements/transaction	Appointment as Executive Director
	Duration of the contracts/arrangements/transaction	Five years with effect from 23rd August,2013
	Salient terms of the contracts or arrangements or transaction including the value, if any	Salary Rs.50,000/- per month (with annual increment of Rs.5,000/- p.m) Plus other allowances, perquisites, benefits and amenities as per rules of the Company.
	Date of approval by the Board	30th May, 2013
	Amount paid as advances, if any	NIL
4	Name (s) of the related party & nature of relationship	Kamarhatty Power Ltd. Subsidiary of Kamarhatty Company Ltd.
	Nature of contracts/arrangements/transaction	Loan taken
	Duration of the contracts/arrangements/transaction	Not Applicable
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 10,50,560/-
	Date of approval by the Board	10.02.2018
	Amount paid as advances, if any	NIL

# KAMARHATTY COMPANY LIMITED

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## ANNEXURE - H

### 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 Personnel) Rules, 2014]

To  
The Members,  
**KAMARHATTY CO LIMITED**  
16A BRABOURNE ROAD  
KOLKATA -700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KAMARHATTY CO LIMITED** (hereinafter called 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 Company 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, minute 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 there under;
- (ii) The Companies (Amendment), Act 2017;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (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;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) 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;
- (vi) The Company operates in Jute products and compliances are made with the applicable regulatory authorities and guidelines laid down by them.

## KAMARHATTY COMPANY LIMITED

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We 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 Agreement entered into by the Company with Calcutta Stock Exchange in respect of Listing of Securities;

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

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. However it was reported that the company could not appoint any woman director in its board despite its attempt to do the same.

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

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

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.

PLACE: Kolkata

DATED: 14th August, 2018

For **MONIKA JAIN**  
*Practicing Company Secretary*  
**Monika Jain**  
C.P. No. 16603

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

## KAMARHATTY COMPANY LIMITED

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### Annexure 'A'

To  
The Members,  
**KAMARHATTY CO LIMITED**  
16A BRABOURNE ROAD  
KOLKATA -700001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE: Kolkata  
DATED: 14th August, 2018

For **MONIKA JAIN**  
*Practicing Company Secretary*  
**Monika Jain**  
C.P. No. 16603



## KAMARHATTY COMPANY LIMITED

### Annexure - I

#### Disclosures of CSR activities as per Section 135 of the Companies Act, 2013

1	2	3	4	5	6	7	8
Brief Outline of the Company's CSR policy	Average Net profit for F.Y 2014-15, 2015-16 & 2016-17)	Prescribed CSR budget (2% Average Net profit for F.Y 2014-15, 2015-16 and 2016-17)	Actual CSR spent in F.Y 2017-18	Reasons for under spending/ not spending (if any)	Details of CSR Programmes/ Projects/ Activities	Project Description (covered within Schedule VII)	Mode of implementation (Direct or through implementing agencies)
Kamarhatty Company Limited, a Jute manufacturing based company focus on the socio economic development and betterment of the lives of the people	Rs. 8,357,271	Rs. 167,145	Rs. 168,186	Nil	Programme/ Project-I Contribution towards promotion of sports, education & social business projects etc.	Contribution towards socio-economic development, relief and welfare of the Scheduled castes, promoting gender equality & empowering women, for the promotion of sports, eradicating poverty etc.	Direct

Place : Kolkata  
Dated : 27th May, 2017

**Sushant Kumar Agarwal**  
*Managing Director*  
(DIN : 00546541)

# **KAMARHATTY COMPANY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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**To The Members of  
The Kamarhatty Company Limited**

### **Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Ind AS standalone financial statements of Kamarhatty Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 the significant accounting policies and other explanatory information which we have signed under reference to this report. According to information & explanation given to us there was no material other Comprehensive Income of the Company during the year under Report.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. In conducting our Audit, we have taken into account the provisions of the Act and the Rules made there under including 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 thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. 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.

## KAMARHATTY COMPANY LIMITED

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### Emphasis of Matter

8. Statutory dues in respect of Employees State Insurance is in the process of the reconciliation with records of the authority. Pending reconciliation the final amount payable against these dues is not ascertainable.

**Our opinion is not qualified in respect of these matters.**

### Basis of Qualification

- (1) Liability on account of gratuity and leave encashment payable to employees on retirement as on 31st March, 2018 has neither been provided in the accounts nor ascertained. This is not in compliance with Ind AS-19.
- (2) The Company has investment of Rs. 378.11 lacs and outstanding balance of loan amounting to Rs.90.02 lakh as on 31st March,2018 with its subsidiary Company which used to generate biomass electricity in the plant at Burdwan. This outstanding is net of Rs.1118.01 lakh received from the subsidiary Company till date. The plant has stopped its operation and the possession of Fixed assets including Current Assets at generating plant of the subsidiary company has been taken over by the WBIDC in the year 2012, for non payment of loan and interest thereon. As certain amount is still recoverable from WBSEDCL, it is not ascertainable at this stage as to how much loan and investment are likely to be realised ultimately and due to which no impairment has been considered. Refer Note 29(d) to the Notes on financial statements.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements except stated above in the basis of qualification give the information required by the Act in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

### Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an qualified opinion vide reports dated May 27, 2017 and May 30 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**KAMARHATTY COMPANY LIMITED**  
**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 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 controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 29.
  - ii. The Company has made neither long term contracts nor any derivative contracts as at March 31, 2018.
  - 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 March 31, 2018.

64/55 B, Belgachia Road,  
Kolkata – 700 037  
The 9th day of June, 2018

For **KHANDELWAL RAY & CO.**  
**Chartered Accountants**  
(Registration No. 302035E)  
**Sanjay Khandelwal**  
*Partner*  
Membership No. 054451

## KAMARHATTY COMPANY LIMITED

### ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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**Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Kamarhatty Company Limited on the standalone financial statements as of and for the year ended March 31, 2018**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as stated & disclosed in Note 3 on fixed assets to the standalone financial statements, are held in the name of the Company. However title deeds have been hypothecated with Bank as security for availing loan facilities.
- ii. (a) In our opinion and according to information and explanation given to us the inventory of finished goods processed stock and raw materials, stores & spares have been physically verified by the Management during the year.
  - (b) In our opinion and according to information and explanation given to us the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to information and explanation given to us, no material discrepancies have been noticed on such physical verification as compared to Book Record and have been appropriately dealt with in the Books of accounts.
- iii. (a) The company has granted interest free unsecured loans in the earlier year to its subsidiary company covered in the register maintained under Section 189 of the Act. The company has not given any other loan to company, firm, Limited Liability Partnership Firm of other parties covered in the Register mentioned under Sec. 189 of Companies Act. 2013.
  - (b) There is no stipulation with regard to repayment of loan which is payable on demand.
  - (d) There is no overdue amount as the company has not made any demand for repayment of said loan.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it in the earlier year.
- v. The Company has accepted deposit from the Directors & members and also from their relatives of within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Necessary procedure as given in the said Section has yet to be complied.
- vi. The Central Government has prescribed maintenance of cost record under Sub-Section (1) of Section 148 of the Companies Act, 2013 for the product of the Company. We have broadly reviewed the books of accounts maintained by the Company in respect of manufacturer of Jute goods pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act. 2013, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty

## KAMARHATTY COMPANY LIMITED

of excise, value added tax, cess , Goods and Service tax and other statutory dues, where applicable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, duty of custom and excise duty, which have not been deposited on account of any dispute except for Income tax, Central Sales Tax, West Bengal Sales Tax ,Service Tax, Employees provident fund & ESI. The details are as follows:

Name of Statute	Nature of dues	Amount* (Rs. In Lacs)	Period to which it relates (Financial Year)	Forum where dispute is pending
		7.96	2009-2010	Commissioner of Income Tax (Appeals),Kolkata
		33.82	2011-2012	Commissioner of Income Tax (Appeals),Kolkata
		78.95	2012-2013	Commissioner of Income Tax (Appeals),Kolkata
		95.65	2013-2014	Commissioner of Income Tax (Appeals),Kolkata
Finance Act,1994 and Service Tax law	Service Tax	4.91	2006-2007 to 2009-2010	Commissioner (Appeals), Kolkata
		61.61	2010-2011 to 2014-2015	CESTAT, KOLKATA
Central Sales Tax Act and W.B Sales Tax Act and W.B Vat Act,2003	Sales Tax	139.03	1995-96	Appellate & Revisional Board
		133.96	1997-98	Appellate & Revisional Board
		179.29	1998-99	Appellate & Revisional Board
		62.17	1999-00	Appellate & Revisional Board
		22.83	2004-05	Appellate & Revisional Board
		13.29	2007-08	Appellate & Revisional Board
		22.92	2009-10 (VAT)	Sales Tax Taxation Tribunal
		14.3	2009-10 (CST)	Appellate & Revisional Board
		151.46	2010-11	Appellate & Revisional Board
		96.09	2011-12	Appellate & Revisional Board
		14.67	2012-13 (VAT)	Appellate Forum
		130.25	2012-13 (CST)	Hon'ble High Court, Kolkata (Div. Bench)
		21.05	2013-14 (VAT)	Appellate Forum
		83.74	2013-14 (CST)	Appellate & Revisional Board
		149.94	2014-15	Joint Commissioner, Sales Tax
Employees Provident Fund & Misc. Provision Act, 1952	Damages	33.21	1998-2000.	Central Board of Trustees, New Delhi.
Employees State Insurance Act, 1948.	Contribution, Interest & Damages	468.82	1981-2003	Hon'ble High Court, Kolkata

## KAMARHATTY COMPANY LIMITED

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- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any banks as at the balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government nor has issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanation 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.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

64/55 B, Belgachia Road,  
Kolkata – 700 037  
The 9th day of June, 2018

For **KHANDELWAL RAY & CO.**  
**Chartered Accountants**  
(Registration No. 302035E)  
**Sanjay Khandelwal**  
*Partner*  
Membership No. 054451

**KAMARHATTY COMPANY LIMITED**  
**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

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**Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Kamarhatty Company Limited on the standalone financial statements for the year ended March 31, 2018**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Kamarhatty Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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



## KAMARHATTY COMPANY LIMITED

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

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

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

### **Opinion**

8. 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 Accountants of India.

64/55 B, Belgachia Road,  
Kolkata – 700 037  
The 9th day of June, 2018

For **KHANDELWAL RAY & CO.**  
**Chartered Accountants**  
(Registration No. 302035E)  
**Sanjay Khandelwal**  
*Partner*  
Membership No. 054451

**KAMARHATTY COMPANY LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018**

(All amounts in INR Lakhs )

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3(a)	3,961.10	3,901.37	3,807.69
Capital work in progress	3(b)	1,125.84	880.54	139.21
Other intangible assets	3(c)	2.54	3.18	2.17
Investments in subsidiaries	4	378.11	378.11	378.11
Financial assets				
(i) Investments	5	2.87	2.87	2.87
Other non-current assets	6	26.84	14.87	97.56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,497.30</b>	<b>5,180.94</b>	<b>4,427.61</b>
<b>CURRENT ASSETS</b>				
Inventories	7	5,070.96	4,055.70	3,243.60
Financial assets				
(i) Trade receivables	8(a)	1,771.60	1,470.90	1,500.80
(ii) Cash and cash equivalents	8(b)	28.49	26.95	51.03
(iii) Bank balances other than (ii) above	8(C)	141.94	100.94	151.52
(iv) Other financial assets	8(d)	7.13	5.64	8.11
Current tax assets	9	598.68	532.59	502.41
Other current assets	10	385.99	467.65	531.08
<b>TOTAL CURRENT ASSETS</b>		<b>8,004.79</b>	<b>6,660.37</b>	<b>5,988.54</b>
<b>Total Assets</b>		<b>13,502.09</b>	<b>11,841.31</b>	<b>10,416.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	561.70	561.70	561.70
Other equity	12	3,199.98	3,065.79	2,712.41
<b>Total equity</b>		<b>3,761.68</b>	<b>3,627.49</b>	<b>3,274.11</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	13(a)	2,204.69	1,950.18	1,179.39
(ii) Other financial liabilities	13(b)	179.83	166.18	169.50
Deferred tax liabilities (net)	14	11.65	11.65	9.30
Other non-current liabilities		-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,396.17</b>	<b>2,128.01</b>	<b>1,358.19</b>
<b>CURRENT LIABILITIES</b>				
<b>Financial liabilities</b>				
(i) Borrowings	15(a)	892.31	789.99	483.98
(ii) Trade payables	15(b)	4,094.23	3,302.49	3,583.18
(iii) Other financial liabilities	15(c)	751.41	660.39	690.29
Other current liabilities	16	1,048.93	833.15	605.92
Provisions	17	-	27.70	23.43
Current tax liabilities	18	557.36	472.08	397.05
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,344.24</b>	<b>6,085.81</b>	<b>5,783.85</b>
<b>TOTAL LIABILITIES</b>		<b>9,740.41</b>	<b>8,213.82</b>	<b>7,142.04</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,502.09</b>	<b>11,841.31</b>	<b>10,416.15</b>

Corporate Information 1

Summary of significant Accounting Policies 2

The accompanying notes are an integral part of these Financial Statements.  
This is the statement of Balance Sheet referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

## KAMARHATTY COMPANY LIMITED

### STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE Year ended 31ST MARCH, 2018

(All amounts in INR Lakhs )

Particulars	Notes	31 March 2018	31 March 2017
<b>I. INCOME</b>			
Revenue from operations	19	16,340.64	17,859.54
Other Operating Income	19	167.86	131.13
Other Income	20	378.48	454.15
<b>Total Revenue</b>		<b>16,886.98</b>	<b>18,444.82</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	21	9,607.59	10,479.73
Purchase of Traded Goods - finished & semi-finished		328.69	633.18
Change in inventories of finished goods and stock in process	22	(713.43)	(302.86)
Employee benefit expenses	23	3,867.54	3,725.41
Finance Cost	24	338.71	322.77
Depreciation and amortisation expense	25	373.14	329.85
Other expenses	26	2,800.01	2,902.25
<b>Total Expenses</b>		<b>16,602.25</b>	<b>18,090.34</b>
<b>III. PROFIT BEFORE TAX</b>		<b>284.73</b>	<b>354.48</b>
LESS:			
<b>IV Tax Expenses:</b>	<b>27</b>		
- Current tax Expenses		62.04	72.29
- Minimum Alternate Tax availed / (Credit entitlement)		26.87	(52.50)
- Deferred Tax Liability		-	2.35
<b>TOTAL TAX EXPENSE</b>		<b>88.91</b>	<b>22.14</b>
<b>V Profit for the year (A)</b>		<b>195.82</b>	<b>332.34</b>
<b>VI OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b>-</b>	<b>-</b>
<b>VII TOTAL Comprehensive Income for the year(A)+(B)</b>		<b>195.82</b>	<b>332.34</b>
<b>VIII Earnings Per Equity Share</b> (nominal value of share Rs.10/- each)			
Basic and Diluted	28	3.49	5.92

The accompanying notes are an integral part of these Financial Statements.

This is the statement of Profit and Loss accounts referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,  
Registration No. 302035E

**SANJAY KHANDELWAL**  
Partner

Membership No. 054451  
Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

## KAMARHATTY COMPANY LIMITED

### STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts in INR Lakhs)

#### A. Share capital

Description	Notes	Amount
<b>As at 01 April 2016</b>		561.70
Changes in equity share capital	11	
<b>As at 31 March 2017</b>		561.70
Changes in equity share capital	11	
<b>As at 31 March 2018</b>		561.70

#### B. Other equity

Description	Notes 12	Reserve and Surplus				Equity instruments through OCI	Total other equity
		Retained earnings	Capital reserve	Securities premium	Capital Redemption Reserve		
<b>Balance as at 01 April 2016</b>		2,192.24	276.17	204.00	40.00	-	2,712.41
Profit for the year		332.34	-	-	-	-	332.34
Add: Addition during the year			62.17				62.17
Less: Released to the Statement of Profit & Loss account			(41.13)				(41.13)
Less: Transfer from Revaluation reserve							
Other Comprehensive income for the year		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		332.34	21.04	-	-	-	353.38
<b>Balance as at 31 March 2017</b>		2,524.58	297.21	204.00	40.00	-	3,065.79

Description	Notes 12	Reserve and Surplus				Equity instruments through OCI	Total other equity
		Retained earnings	Capital reserve	Securities premium	Capital Redemption Reserve		
<b>Balance as at 01 April 2017</b>		2,524.58	297.21	204.00	40.00	-	3,065.79
Profit for the year		195.82	-	-	-	-	195.82
Adjustment for prior period provision for taxation		(25.64)					(25.64)
Less: Released to the Statement of Profit and loss account			(35.99)				(35.99)
Other Comprehensive income for the year		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		170.17	(35.99)	-	-	-	134.18
<b>Balance as at 31 March 2018</b>		2,694.76	261.22	204.00	40.00	-	3,199.98

The accompanying notes are an integral part of these Financial Statements.  
This the Statement of Changes in Equity referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,  
Registration No. 302035E

**SANJAY KHANDELWAL**  
Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

## KAMARHATTY COMPANY LIMITED

### Standalone Cash Flow Statement for the Year ended 31st March,2018 as per the Listing Agreement

(All amounts in INR Lakhs)

	For the year ended 31st March,2018	For the year ended 31st March,2017
<b>A. Cash Flow from Operating Activities :</b>		
Net (Loss) / Profit before Tax & extraordinary items	284.73	354.48
Adjustment for:		
Depreciation and amortisation expenses	373.14	329.85
Finance cost	338.71	322.77
Interest income	(13.01)	(10.52)
Debts Written Off	13.40	13.74
Profit on Sale of Property, Plant & Equipment (net)	(28.65)	(25.22)
Operating Profit before Working Capital changes	968.32	630.62
Adjustment for:		
Trade & other receivables	(266.14)	220.79
Trade payable, Other Current Liabilities and Provisions	1,021.20	(53.47)
Increase in Other Financial Liabilities	91.02	128.50
Inventories	(1,042.97)	(807.82)
Cash generated from operations	771.42	473.10
Direct Taxes Paid	(75.13)	(30.99)
Net Cash generated FROM Operating Activities	696.29	442.12
<b>B. Cash Flow from Investing Activities :</b>		
Changes in Capital Work in progress	(245.30)	(840.83)
Purchase of Porperty,Plant & Equipment	(469.33)	(369.39)
Sale of Property, Plant and Equipment (net)	29.75	28.45
Interest Received	13.01	10.52
Net Cash used in Investing Activities	(671.87)	(1,171.25)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Non-Current Borrowings	254.51	770.79
(Repayment of) / Proceeds from Current Borrowings	102.32	144.29
Interest paid	(338.71)	(322.77)
Capital Subsidy received	-	62.17
Net Cash (used) / generated from Financing Activities	18.12	654.48
Net Increase / (decrease) in Cash & Cash equivalents	42.54	(74.66)
Cash & Cash equivalents -Opening balance	127.89	202.55
Cash & Cash equivalents -Closing balance	170.43	127.89

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,  
Registration No. 302035E

**SANJAY KHANDELWAL**  
Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

# KAMARHATTY COMPANY LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### **Note: 1 Corporate Information**

The Company is a Public Company within the meaning of Companies Act, 2013. The equity shares of the Company are listed at Calcutta Stock exchange Ltd. The Company's manufacturing facilities are located at 1, Graham Road and its registered office at 16A, Brabourne Road, 8th Floor Kolkata- 700001.

**Note: 2** : The Company is a leading manufacturer of Jute and Jute allied products & Kraft Paper. The Company also exports jute goods to various countries spread over the world.

### **2.1 Basis of Preparation**

#### **(i) Compliance with Ind AS**

These standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The standalone financial statements up to year ended 31 March, 2017 were prepared in accordance with generally accepted accounting principles in India (Previous GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") as applicable.

These financial statements for the year ended 31st March, 2018 are the first Ind AS compliant financial statements with comparatives prepared under the Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 through all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First time adoption of Indian Accounting Standards".

Refer note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### **ii) Classification of current and non-current**

All asset and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

#### **(iii) Historical cost convention**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention.

#### **iv) Functional and Presentation Currency**

The financial statements have been presented in Indian Rupees, which is also the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### **2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

**SIGNIFICANT ACCOUNTING POLICIES**

**2.3 Property, Plant and equipment and Depreciation**

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.
- c) Depreciation is provided on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. No depreciation is provided on Freehold Land.
- d) Gains and losses on disposal of Property, plant and equipment is recognized in the statement of profit and loss.
- e) An impairment loss is recognized where applicable when the carrying amount of property, plant and equipment exceeds its recoverable amount.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Property, plant and equipment.

**2.4 Intangible assets and amortization**

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Gains and Losses on disposal of Intangible assets is recognized in the Statement of Profit and Loss.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of all the Intangible assets.

**2.5 Impairment of assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased /increased.

## **KAMARHATTY COMPANY LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

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An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

#### **2.6 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

##### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of Investments in subsidiaries, recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Investments in subsidiaries.

#### **2.7 Financial assets**

The financial assets are classified in the following categories:

- a) financial assets measured at amortised cost,
- b) financial assets measured at fair value through profit and loss (FVTPL), and
- c) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for arranging financial assets.

##### **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, if any.

##### **Financial instruments measured at FVTPL**

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

##### **Financial assets at FVOCI**

Financial assets are measured at FVOCI if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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#### Equity instruments

The Company measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and accordingly there is no subsequent reclassification of fair value gains and losses to profit or loss.

#### De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109 : Financial Instruments.

#### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Only for Trade receivables, the simplified approach of lifetime expected credit losses is recognised from initial recognition of the receivables as required by Ind AS 109: Financial Instruments.

Impairment loss allowance recognised /reversed during the year is charged/written back to Statement of Profit and Loss.

#### 2.8 Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

For Trade and Other Payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

#### 2.9 Subsidy / Government Grant

Subsidy/ Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in Capital Reserves as deferred reserves and are credited to statement of profit or loss on a straight-line basis

## **KAMARHATTY COMPANY LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

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over the expected lives of the related assets and presented within other income.

#### **2.10 Inventories**

Raw materials, Stores and Spares parts and components are valued at cost (cost being determined on weighted average basis) or at net realizable value whichever is lower. Stock-in-process are valued at raw materials cost plus labour and overheads apportioned on an estimated basis depending upon the stages of completion or at net realizable value whichever is lower. Finished goods are valued at cost or at net realizable value whichever is lower. Cost includes all direct cost and applicable manufacturing and administrative overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

#### **2.11 Employee Benefit**

- i) The accrued liability on account of gratuity payable to the employees as on 31st March 2018 is neither ascertained nor provided for in accounts. Also liability in respect of employees who have retired till 31.03.2018, is neither ascertained nor provided in the accounts. The same is accounted for as and when paid.
- ii) Liability in respect of leave encashment payable to the employee has not been ascertained and provided for in the accounts.

#### **2.12 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **2.14 Foreign Currency Transaction**

##### **(i) Initial Recognition**

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

##### **(ii) Subsequent Recognition**

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

Gains/losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

Gains or Losses in respect of liabilities incurred for acquisition of fixed assets are adjusted in the carrying cost of such assets.

#### **2.16 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period.

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### 2.17 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

#### 2.18 Provisions and Contingent Liabilities

##### f) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent Liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probable, hence not provided for. Contingent assets are not recognised though are disclosed, where an inflow of economics benefit is probable .

#### 2.19 Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### 2.20 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, and balance with bank in current account.

#### 2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 2.22 Segment reporting

Refer note 31 for segment information presented

#### 2.23 Standards issued but not yet effective

Ind AS 115: Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115. The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NON-CURRENT ASSETS**  
**NOTE 3(a) Property, Plant and equipment**

(All amounts in INR lakhs)

PARTICULARS	GROSS Carrying amount						ACCUMULATED DEPRECIATION				IMPAIRMENT		CARRYING AMOUNT	
	As on 01.04.2017	Addition during the Year	Sales/ Disposal during the Year	As on 31.03.18	As on 01.04.2017	For the Year	Adj. for Disposals	As on 31.03.18	NET	As on 31.03.18	As on 31.3.2017			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
Land (Free hold)	164.52	-	-	164.52	-	-	-	-	-	164.52	164.52			
Building	1,060.50	22.74	-	1,083.24	406.98	15.50	422.49	422.49	-	660.75	653.51			
Plant & Machinery	5,449.76	416.05	22.47	5,843.34	2,747.84	319.45	21.37	3,045.92	-	2,797.43	2,701.92			
Co-generation	304.38	-	-	304.38	215.65	27.94	243.59	243.59	-	60.79	88.73			
Computer	55.90	2.13	-	58.03	44.75	5.14	49.89	49.89	-	8.14	11.16			
Electric Installation	342.92	22.31	-	365.23	174.63	19.84	194.47	194.47	-	170.76	168.29			
Tube well & Water Supply	15.39	-	-	15.39	7.65	-	7.65	7.65	-	7.74	7.74			
Furniture & Fixture others	129.52	0.60	-	130.12	74.85	7.01	81.86	81.86	-	48.26	54.67			
Office equipments	131.03	5.50	-	136.53	80.20	13.61	93.81	93.81	-	42.72	50.83			
<b>TOTAL</b>	<b>7,653.91</b>	<b>469.33</b>	<b>22.47</b>	<b>8,100.77</b>	<b>3,752.54</b>	<b>408.50</b>	<b>21.37</b>	<b>4,139.66</b>	<b>-</b>	<b>3,961.10</b>	<b>3,901.37</b>			

1. Motor vehicles include Rs.3.45 lakh acquired in Financing scheme.
2. Refer Note 13(a) and 15(a) for information on property, plant and equipment Hypothecated with Bank as security by the Company.

**NON-CURRENT ASSETS  
NOTE 3(a) PROPERTY, PLANT AND EQUIPMENT(GAAP)**

(All amounts in INR lakhs)

Particulars	Gross Carrying amount			Accumulated Depreciation			Net carrying amount		
	As at 01.04.2016 Rs.	Addition during the year Rs.	Sales / Disposal Rs.	As on 31.03.2017 Rs.	As on 01.04.2016 Rs.	For the year Rs.	Adj. for disposal Rs.	As on 31.03.2017 Rs.	As on 01.04.2016 Rs.
Land (free hold)	164.97	-	0.45	164.52	-	-	-	164.52	164.97
Building	961.00	99.50	-	1,060.50	393.01	13.97	-	653.51	567.99
Plant & Machinery	5,097.11	356.78	4.13	5,449.76	2,471.77	279.78	3.71	2,747.84	2,625.34
Co-generation	304.38	-	-	304.38	186.73	28.92	-	215.65	117.65
Computer	50.58	5.33	-	55.90	38.17	6.57	-	44.75	12.40
Electric installation	342.92	-	-	342.92	153.46	21.17	-	174.63	189.46
Tubewell & Water supply	15.39	-	-	15.39	7.65	-	-	7.65	7.74
Furniture fixture & other office equipments	124.23	5.29	-	129.52	68.34	6.51	-	74.85	55.90
Motor vehicles	142.05	-	11.03	131.03	75.80	13.05	8.66	80.20	66.25
<b>Total</b>	<b>7,202.62</b>	<b>466.90</b>	<b>15.60</b>	<b>7,653.92</b>	<b>3,394.93</b>	<b>369.99</b>	<b>12.37</b>	<b>3,752.54</b>	<b>3,807.69</b>

1 Motor vehicles include Rs. 6.98 lakh acquired in Financing scheme.

2 Refer Note 13(a) and 15(a) for information on property, plant and equipment Hypothecated with Bank as security by the Company.

**NOTE 3(b) Capital Work in Progress**

PARTICULARS	Gross Carrying amount		
	As on 01.04.2017	Addition during the Year	As on 31.03.18
<b>CAPITAL WORK IN PROGRESS</b>	<b>880.54</b>	<b>245.30</b>	<b>1,125.84</b>

Capital Work in Progress includes (a) Rs.50.36 lakh representing purchase of Land at North (24) parganas West Bengal towards Company's proposed new diversification Project (b) towards Capital expenditure for Company's proposed new Linen Yarn manufacturing Project at Chandannagar, West Bengal for Rs.1075.48 lakh.

**NOTE 3(b) Capital Work in Progress(GAAP)**

PARTICULARS	Gross Carrying amount		
	As on 01.04.2016	Addition during the Year	As on 31.03.17
<b>CAPITAL WORK IN PROGRESS</b>	<b>139.21</b>	<b>840.83</b>	<b>880.54</b>

Capital Work in Progress includes (a) Rs.50.36 lakh representing purchase of Land at North (24) parganas West Bengal towards Company's proposed new diversification Project (b) towards Capital expenditure for Company's proposed new Linen Yarn manufacturing Project at Chandannagar, West Bengal for Rs.830.18 lakh.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE: 3(C) OTHER INTANGIBLE ASSETS**

(All amounts in INR lakhs)

Particulars	Gross Block				Depreciation			Net carrying amount	
	As at 01.04.2017 Rs.	Addition during the year Rs.	Sales / Disposal Rs.	As on 31.03.2018 Rs.	As on 01.04.2017 Rs.	For the year Rs.	Adj. for disposal Rs.	As on 31.03.2018 Rs.	As on 01.04.2017 Rs.
SOFTWARE	35.26	-	-	35.26	32.08	0.63		2.54	3.18
<b>TOTAL</b>	35.26	-	-	35.26	32.08	0.63	-	2.54	3.18

**NOTE: 3(C) OTHER INTANGIBLE ASSETS (GAAP)**

(All amounts in INR lakhs)

Particulars	Gross Block				Depreciation			Net carrying amount	
	As at 01.04.2016 Rs.	Addition during the year Rs.	Sales / Disposal Rs.	As on 31.03.2017 Rs.	As on 01.04.2016 Rs.	For the year Rs.	Adj. for disposal Rs.	As on 31.03.2017 Rs.	As on 01.04.2016 Rs.
SOFTWARE	33.26	2.00	-	35.26	31.09	1.00		3.18	2.17
<b>TOTAL</b>	33.26	2.00	-	35.26	31.09	1.00	-	3.18	2.17

(All amounts in INR lakhs)

**Note: 4 Investments in subsidiaries**

Particulars	Face value	No. of units	31-Mar-18	No. of units	31-Mar-17	No. of units	1-Apr-16
Investments carried at cost							
Investments in equity instruments							
Investments in subsidiary - Unquoted							
- KAMARHATTY POWER LTD	10	2520750	378.11	2520750	378.11	2520750	378.11
<b>TOTAL</b>			<b>378.11</b>		<b>378.11</b>		<b>378.11</b>

(All amounts in INR lakhs)

**Note: 5 Investments (Non-current)**

Particulars	Face value	No. of units	31-Mar-18	No. of units	31-Mar-17	No. of units	1-Apr-16
I. Mandatorily measured at FVOCI							
INVESTMENT IN EQUITY INSTRUMENT							
FULLY PAID UP							
UNQUOTED - AT COST							
YATAN TRADE LINK (P) LTD	10	1250	2.50	1250	2.50	1250	2.50
Woodland Multispeciality Hospital Ltd. (formerly East India Clinic Ltd.)	10	3310	0.33	3310	0.33	3310	0.33
Non redeemable 5% Debentures Stock 1957)							
INVESTMENT IN REDEEMABLE SHARE (B Class)							
Kamarhatty Jute Mill Employees. Consumers Co.op Stores Ltd.	10	250	0.03	250	0.03	250	0.03
II. Mandatorily measured at FVTPL							
INVESTMENT IN 7 YEARS NATIONAL SAVING CERTIFICATE							
Aggregate amount of Unquoted Investments			<u>0.01</u>		<u>0.01</u>		<u>0.01</u>
			<u>2.87</u>		<u>2.87</u>		<u>2.87</u>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in INR Lakhs )

**NOTE: 6 OTHER NON-CURRENT ASSETS**

(Unsecured, considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital advances	26.84	14.87	97.56
<b>Total</b>	<b>26.84</b>	<b>14.87</b>	<b>97.56</b>

**NOTE: 7 INVENTORIES**

(At lower of cost or net realizable value)

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	1,060.71	822.84	368.34
Process Stock	541.85	410.32	559.61
Coal	50.16	38.53	40.16
Finished goods (includes goods in transit ₹ NIL (31.03.17- ₹ 54.18 lakhs, 01.04.2016 - ₹ NIL)	3,060.19	2,505.99	2,049.57
Stores and spares parts	358.05	278.02	225.91
<b>Total</b>	<b>5,070.96</b>	<b>4,055.70</b>	<b>3,243.60</b>

**NOTE: 8(a) TRADE RECEIVABLES**

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	1,771.60	1,470.90	1,500.80
<b>Total</b>	<b>1,771.60</b>	<b>1,470.90</b>	<b>1,500.80</b>

**NOTE: 8(b) CASH AND CASH EQUIVALENTS**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Cash and cash equivalents</b>			
Cash on hand	6.48	10.16	30.88
Balances with banks	-	-	-
- In current accounts	22.01	16.80	20.15
<b>Total</b>	<b>28.49</b>	<b>26.95</b>	<b>51.03</b>

**NOTE: 8(c) OTHER BANK BALANCES**

Particulars	31 March 2018	31 March 2017	1 April 2016
FIXED DEPOSITS	141.94	100.94	151.52
(pledged with bank as margin)			
<b>Total</b>	<b>141.94</b>	<b>100.94</b>	<b>151.52</b>

**NOTE: 8(d) OTHER FINANCIAL ASSETS - CURRENT**

Particulars	31 March 2018	31 March 2017	1 April 2016
Interest accrued on deposits	7.13	5.64	8.11
<b>Total</b>	<b>7.13</b>	<b>5.64</b>	<b>8.11</b>



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in INR Lakhs )

#### NOTE: 9 CURRENT TAX ASSETS

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for taxation (including tax deducted at source)	<b>598.68</b>	532.59	502.41
<b>Total</b>	<b>598.68</b>	532.59	502.41

#### NOTE: 10 OTHER CURRENT ASSETS

Particulars	31 March 2018	31 March 2017	1 April 2016
Prepaid expenses	<b>11.53</b>	15.12	0.07
MAT CREDIT ENTITLEMENT	<b>76.01</b>	102.89	47.65
Balances with government authorities	<b>52.06</b>	49.80	35.56
Other Deposits	<b>3.34</b>	3.24	3.50
Advances for goods and services	<b>101.81</b>	74.45	239.52
Other advances (considered good)	<b>30.65</b>	104.50	139.88
Advance to Employees	<b>12.26</b>	35.29	29.70
Advance to bodies corporate	<b>98.33</b>	82.35	35.20
<b>Total</b>	<b>385.99</b>	467.65	531.08

#### NOTE: 11 EQUITY SHARE CAPITAL

##### A) Authorised share capital

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	6,000,000	600.00
Changes during the year		
<b>As at 31 March 2017</b>	6,000,000	600.00
Changes during the year		
<b>As at 31 March 2018</b>	6,000,000	600.00

#### NOTE: 11 PREFERENCE SHARE CAPITAL

##### A) Authorised share capital

(All amounts in INR lakhs)

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	100,000	100.00
Changes during the year		
<b>As at 31 March 2017</b>	100,000	100.00
<b>As at 31 March 2018</b>	100,000	100.00

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in INR lakhs)

**B) Issued, subscribed and fully paid-up shares**

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	5,617,000	561.70
Changes during the year		
<b>As at 31 March 2017</b>	5,617,000	561.70
Changes during the year		
<b>As at 31 March 2018</b>	5,617,000	561.70

**C) Details of the shareholders holding more than 5% of equity shares of the Company**

Name of the shareholder	31-Mar-18		31-Mar-17		1-Apr-16	
	Number	% holding	Number	% holding	Number	% holding
Tornado Consultants Ltd.	835000	14.87	835000	14.87	835000	14.87
Malsisar Converting Machinery Pvt. Ltd.	550000	9.79	550000	9.79	550000	9.79
Echolac Trexim Ltd.	500000	8.90	500000	8.90	500000	8.90
Niramaya Investment & Dealers Ltd.	291100	5.18	291100	5.18	291100	5.18
Mrs Shakuntala Devi Agarwal	709980	12.64	-	-	-	-
Late Badri Prasad Agarwal	-	-	588380	10.47	588380	10.47
Mr Sushant Kumar Agarwal	370000	6.59	370000	6.59	370000	6.59

**D) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of Equity shares having a face value of Rs.10 per share.

Each shareholder is eligible for one vote per share held.

In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding

The Board has not proposed any dividend for the year

**NOTE: 12 OTHER EQUITY**

**A. RESERVE AND SURPLUS**

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Retained earnings	<b>2,694.76</b>	2,524.58	2,192.24
(II) Revaluation Reserve	-	-	-
(v) Capital Reserve	<b>261.22</b>	297.21	276.17
(iii) Securities Premium	<b>204.00</b>	204.00	204.00
(iv) Capital Redemption Reserve	<b>40.00</b>	40.00	40.00
Total reserves and surplus	<b>3,199.98</b>	3,065.79	2,712.41

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>(ii) Revaluation reserve</b>			
Balance at the beginning of the year	-	-	268.17
Less: Adjustment on account of foreign exchange difference in account of buyers credit from bank in for Capital expenditure	-	-	(27.15)
Less: Transfer to Retained earnings			(241.02)
Balance at the end of the year	-	-	-
<b>(v) Capital Reserve</b>			
Balance as at the beginning of the year	<b>297.21</b>	276.17	242.30
Add: Addition during the year	-	62.17	52.66
Less: Release to Statement of Profit and Loss account	<b>(35.99)</b>	(41.13)	(18.80)
Balance at the end of the year	<b>261.22</b>	297.21	276.17
<b>(i) Retained earnings</b>			
Balance as at the beginning of the year	<b>2,524.58</b>	2,192.24	1,848.16
Profit for the year	<b>195.82</b>	332.34	109.18
Add: Transfer from Revaluation Reserves	-	-	241.02
LESS: Adjustment for short provision for tax in prior year	<b>(25.64)</b>	0.00	(6.11)
Items of other comprehensive income recognised directly in retained earnings	-	-	-
Balance at the end of the year	<b>2,694.76</b>	2,524.58	2,192.24

#### Nature and Purpose of Reserves

- a) Capital Reserves represents Government Grants received from Government authorities on account of Investments in Capital assets by the Company.
- b) Securities Premium represents share issued earlier at Premium.
- c) Capital Redemption reserve represents Preference shares issued and redeemed earlier and the corresponding amount has been transferred to CRR.
- d) Retained earnings are the profit that the Company has earned till date less any transfer to general Reserves, dividend or other distribution paid to the shareholders.

#### B. Other reserves - Equity instruments through Other comprehensive income

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	-	-	-
Balance at the end of the year	-	-	-
<b>Total (A+B)</b>	<b>3,199.98</b>	3,065.79	2,712.41

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE: 13(a) BORROWINGS (NON-CURRENT)**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
(i) TERM LOAN FROM BANK [Refer note (i),(ii) & (iii) below]	<b>1,285.65</b>	1,508.02	545.87
(ii) Long term maturities of Finance lease(car) [refer Note (a)]	<b>3.45</b>	6.98	17.04
<b>Unsecured</b>			
(a) LOAN FROM OTHERS	<b>1,270.55</b>	838.69	821.48
Less: Current maturities of long term debts [refer note 15(c)]	<b>(354.97)</b>	(403.51)	(205.00)
<b>Total</b>	<b>2,204.69</b>	1,950.18	1,179.39

Nature of security	Terms of repayment
(i) Term loan from banks amounting to Rs.4,87,69,405/- (31 March 2017 - 3,87,04,284/-, 01 April 2016 - ₹ nil) are secured by hypothecation of fixed assets financed by the Term Loan	Repayable in 20 equal quarterly instalments beginning from September 2017.
(ii) Term loan from banks amounting to Rs.1,30,02,962/- (31 March 2017 - 2,97,68,270/- , 01 April 2016 - ₹ 5,45,86,620/-) are secured by hypothecation of fixed assets financed by the Term Loan	Repayable in 16 equal quarterly instalments beginning from September 2014.
(iii) ICICI LAP Account secured against security of a property of a Director -amounting to Rs.6,67,93,094/- I (31 March 2017 - 8,23,29,068/-, 01 April 2016 - ₹ nil)	Repayable in 60 equated monthly instalments beginning from November 2016.
(a) Car acquired under finance lease are secured by hypothecation of cars.	Repayable in equated monthly instalments

**NOTE: 13(b) OTHER FINANCIAL LIABILITIES (NON-CURRENT)**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Security Deposit	<b>179.83</b>	166.18	169.50
<b>Total</b>	<b>179.83</b>	166.18	169.50

**NOTE: 14 DEFERRED TAX LIABILITIES (NET)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities	<b>11.65</b>	9.30	9.30
Deferred tax liability arising out of depreciation	—	2.35	—
<b>Net deferred tax liabilities</b>	<b>11.65</b>	11.65	9.30

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs)

#### NOTE: 15(a) BORROWINGS (CURRENT)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured:</b>			
Cash Credit from bank [refer note (a) below]	<b>874.32</b>	789.99	483.98
<b>Unsecured:</b>			
Packing Credit from Bank (refer note (b) below)	<b>17.99</b>	–	–
<b>Total</b>	<b>892.31</b>	789.99	483.98

#### Notes:(a) and (b)

- (a) Secured primarily by exclusive hypothecation charge over stocks, books and other current assets of the Company both present & future & by collateral equitable mortgage / hypothecation of land, building and plant & machinery of the Company.
- (b) Secured by exclusive hypothecation of stocks meant for export.

#### NOTE: 15(b) TRADE PAYABLES

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade payables (refer note (a) below for dues to Micro, Small and Medium Enterprises)	<b>4,094.23</b>	3,302.49	3,583.18
<b>Total</b>	<b>4,094.23</b>	3,302.49	3,583.18

**Note(a)** : The Company has not received information from vendors regarding their status under the Micro, Small, & Medium Enterprises Development Act, 2006, and hence disclosure relating to amounts unpaid at the year end, interest paid / payable under this Act have not been given.

#### NOTE: 15(c) OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debt (refer note 13(a))	<b>354.97</b>	403.51	205.00
Book Overdraft	<b>350.30</b>	204.34	470.52
Advances received from customers	<b>34.08</b>	40.48	2.71
Unclaimed amount payable to Preference share holders	<b>12.06</b>	12.06	12.06
<b>Total</b>	<b>751.41</b>	660.39	690.29

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125C of the Companies Act, 2013 as at the end of the year.

#### NOTE: 16 OTHER CURRENT LIABILITIES

Particulars	31 March 2018	31 March 2017	1 April 2016
Statutory dues	<b>593.56</b>	356.94	235.39
Electricity dues	<b>258.99</b>	253.95	126.95
Other payables	<b>196.38</b>	222.26	243.58
<b>Total</b>	<b>1,048.93</b>	833.15	605.92

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE: 17 PROVISIONS (CURRENT)**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Cess duty & Excise duty on stock	–	27.70	23.43
<b>Total</b>	<b>–</b>	<b>27.70</b>	<b>23.43</b>

**NOTE: 18 CURRENT TAX LIABILITIES**

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for taxation	<b>557.36</b>	472.08	397.05
<b>Total</b>	<b>557.36</b>	<b>472.708</b>	<b>397.05</b>

**NOTE : 19 REVENUE FROM OPERATIONS**

Details of Products Sold

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Jute Goods (including cess)	<b>14,646.67</b>	16,654.93
Kraft Paper (including excise duty)	<b>1,693.97</b>	1,204.61
<b>Total</b>	<b>16,340.64</b>	<b>17,859.54</b>

Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations disclosed net of GST. However, revenue for the period upto June 30, 2017 is inclusive of Cess & Excise Duty. Accordingly, revenue from operations and other expenses for the year ended 31st March 2018 are not comparable with the previous year.

**Note : 19 OTHER OPERATING INCOME**

Particulars	31 March 2018	31 March 2017
Processing charges received	<b>81.92</b>	85.17
(Tax deducted at source Rs.1,37,883/- previous year -Rs.1,22,249/-)		
Sale of Scrap	<b>5.79</b>	4.51
SALE OF REP LICENCE	<b>28.99</b>	18.63
EXPORT DUTY DRAWBACK	<b>51.16</b>	22.82
<b>Total</b>	<b>167.86</b>	<b>131.13</b>

**Note : 20 OTHER INCOME**

Particulars	31 March 2018	31 March 2017
Interest income	<b>13.01</b>	10.52
(Tax deducted at source Rs.1,16,477/-)		
Previous Year -Rs.-Rs.1,03,788/-)		
Rental Income(Gross):	<b>290.75</b>	266.70
(Tax deducted at source Rs.29,11,836/-)		
Previous Year -Rs.26,52,015/-)		
Profit on Sale of Property,Plant & Equipment (net)	<b>28.65</b>	25.22
Insurance Claim	<b>5.32</b>	0.92
Miscellaneous Income	<b>40.75</b>	150.79
<b>Total</b>	<b>378.48</b>	<b>454.15</b>

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### NOTE : 21 COST OF MATERIAL CONSUMED

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Details of Raw material Consumed		
Raw Jute	7,951.36	9,277.42
Flax	126.81	39.43
Jute Batching Oil	215.42	220.34
Packaging Material	120.65	92.81
Dye Material	133.69	130.82
Waste Paper	1,006.35	643.04
Chemical	53.32	75.87
	<u>9,607.59</u>	<u>10,479.73</u>

Particulars	31 March 2018	31 March 2017
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#### NOTE : 22 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS

##### OPENING STOCK:

Finished Goods	<u>2,505.99</u>	<u>2,049.57</u>	
Stock-in-process	410.32	559.61	
<b>Total A</b>	<b>2,916.31</b>	<b>2,609.18</b>	

Less:

##### CLOSING STOCK:

Finished Goods	<u>3,060.19</u>	<u>2,505.99</u>	
Stock-in-process	541.85	410.32	
<b>Total B</b>	<b>3,602.04</b>	<b>2,916.31</b>	
<b>Total ( A - B)</b>	<b>(685.72)</b>	<b>(307.13)</b>	

Less: Cess Duty Provision on Inventory

ON CLOSING STOCK	-	<u>27.70</u>	
ON OPENING STOCK	<u>27.70</u>	23.43	<u>(4.28)</u>
Increase in stock IN TRADE	<u>(713.43)</u>	<u>(302.86)</u>	
DECREASE / (Increase) in inventories	<b>(713.43)</b>	<b>(302.86)</b>	

#### Note : 23 EMPLOYEE BENEFIT EXPENSES

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Salary, Wages and Bonus	3,370.12	3,245.01
Gratuity	187.93	159.78
Contribution to Provident Fund & Other Funds	301.57	311.81
Workmen and Staff Welfare expenses	7.92	8.81
	<u>3,867.54</u>	<u>3,725.41</u>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE : 24 FINANCE COST**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
a Interest TO BANK	<b>206.16</b>	213.16
b Interest - Others	<b>132.55</b>	109.61
<b>Total</b>	<b><u>338.71</u></b>	<u>322.77</u>

**NOTE : 25 DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	31 March 2018	31 March 2017
Depreciation of Property,Plant & Equipment	<b>408.50</b>	369.99
Amortisation of other Intangible Assets	<b>0.63</b>	1.00
	<b>409.13</b>	370.98
Less:Transferred from Capital Reserve	<b>35.99</b>	41.13
<b>Total</b>	<b><u>373.14</u></b>	<u>329.85</u>

**NOTE: 26 OTHER EXPENSES**

Particulars	31 March 2018	31 March 2017
Consumption of Stores and spare parts	<b>310.96</b>	262.34
Power & Fuel	<b>1,275.51</b>	1,198.05
Repair to building	<b>19.20</b>	23.51
Repair to plant & machinery	<b>329.23</b>	286.13
Repair to others	<b>32.37</b>	52.01
Branding & Processing charges	<b>76.00</b>	114.37
Brokerage & Commission	<b>74.51</b>	94.00
Transport charges	<b>86.99</b>	68.83
Advertisement	<b>1.58</b>	0.72
Bank charges	<b>29.75</b>	38.65
Conveyance	<b>4.42</b>	4.37
Coolie & Carriage	<b>0.09</b>	0.31
Electric charges	<b>9.19</b>	8.87
Filing fees	<b>0.22</b>	0.30
Listing fees	<b>0.35</b>	0.29
Hire charges	<b>0.73</b>	1.42
Legal expenses	<b>24.39</b>	2.78
Motor car expenses	<b>21.97</b>	19.69
Office maintenance	<b>7.96</b>	14.58
Postage & Telegram	<b>3.36</b>	3.07
Printing & Stationery	<b>11.42</b>	10.51
Subscription	<b>15.24</b>	11.49
Telephone expenses	<b>11.40</b>	12.49
Travelling expenses	<b>20.88</b>	37.50
Security charges	<b>20.84</b>	16.21
Rates & Taxes	<b>81.91</b>	274.44
Rent	<b>4.68</b>	4.68
Insurance charges	<b>34.20</b>	12.88
Debts written off	<b>13.40</b>	13.74
Miscellaneous expenses	<b>205.98</b>	237.54
Corporate Social Responsibility expenses (refer note b)	<b>1.68</b>	2.15
Auditor's remuneration (note a)	<b>1.04</b>	1.00
Directors' remuneration	<b>29.35</b>	33.05
Director fees	<b>1.80</b>	1.40
Professional fees	<b>37.41</b>	38.86
<b>Total</b>	<b><u>2,800.01</u></b>	<u>2,902.25</u>



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
<b>Notes</b>		
<b>a) PAYMENTS TO AUDITORS</b>		
As Auditor		
As Auditor		
For Audit fees	<b>0.69</b>	0.69
For Tax Audit	<b>0.17</b>	0.17
Other Capacity		
For Certification	<b>0.18</b>	0.14
<b>Total</b>	<b>1.04</b>	1.00

**b) Corporate social responsibility expenditure**

Particulars	31 March 2018	31 March 2017
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above	<b>1.68</b>	2.15
<b>Total</b>	<b>1.68</b>	2.15
Amount required to be spent as per Section 135 of the Act.	<b>1.67</b>	2.12

**NOTE: 27 INCOME TAX EXPENSE**

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and & non - deductible items.

**(a) Income tax expense**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
<b>Current tax</b>		
Current tax on profits for the year	<b>62.04</b>	72.29
MAT CREDIT AVAILED / (ENTITLEMENT)	<b>26.87</b>	(52.50)
<b>Total current tax expense</b>	<b>88.91</b>	19.79
<b>Deferred tax</b>		
Increase in deferred tax liabilities	–	2.35
<b>Income tax expense</b>	<b>88.91</b>	22.14

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in INR lakhs)

**(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

Particulars	31 March 2018	31 March 2017
Profit before tax	<b>284.73</b>	354.48
Tax at the indian tax rate of 33.063% (2016-17 – 33.063%)	<b>94.14</b>	117.20
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	<b>(5.23)</b>	(44.91)
Deferred on unabsorbed depreciation	–	2.35
MAT credit entitlement	–	(52.50)
<b>Total income tax expense/(credit)</b>	<b>88.91</b>	22.14

**(c) Details of MAT credit balance available with expiry date**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>MAT credit balance</b>			
<b>Expiry</b>			
AY 2030-31	<b>20.78</b>	47.65	47.65
AY 2031-32	<b>55.23</b>	55.23	–
AY 2032-33	–	–	–
<b>Total</b>	<b>76.01</b>	102.89	47.65

Particulars	31 March 2018	31 March 2017
<b>NOTE : 28 EARNINGS PER SHARE (EPS)</b>		
Profit FOR THE YEAR	<b>195.82</b>	332.34
Net Profit for calculation of Basic and Diluted EPS (A)	<b>195.82</b>	332.34
Weighted average number of shares outstanding (B) of Rs.10/- each.	<b>5617000</b>	5617000
Basic and Diluted Earning per share A/B	<b>3.49</b>	5.92

**NOTE : 29 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

	As at 31.03.2018	As at 31.03.2017
a) Contingent Liability:		
(i) Bank Guarantee – Subsidiary	–	5.18
Others	<b>393.77</b>	386.15
Claim against the Company not acknowledged as debts:		
(ii) Demand of different Statutory authorities under dispute pending in appeals	<b>2019.92</b>	2298.86
The Management feels that the claims are not likely to succeed and hence not provided in the accounts. However the consequential effect of the claims is dependent on disposal of appeals.		
Capital and other commitments		
Estimated amount of Contract remaining to be executed on Capital account (net of advances) and not provided for	<b>59.65</b>	30.98

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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- b) Statutory dues, in respect of, Employees State Insurance are in the process of reconciliation with authorities. Pending reconciliation / confirmation the final amounts payable against these dues has not been ascertained. The same will be accounted for as and when information received.
- c) In terms of Tariff Orders passed by W.B Electricity Regulatory Commission for the financial years 2000-2002 and 2002-2005 respectively a total sum of Rs 4128046/- for the period upto June 2004 has become refundable to the Company in terms of direction of the Hon' ble Commission dated 26th July, 2004. As per the said Tariff Order the refund is to be effected only after adjusting previous arrears if any due from the particular consumer. The same is being accounted for as and when received.
- d) The Company has investment of Rs.378.11 lakhs and balance in outstanding advanced loan Rs.90.02 lakh as on date of Balance Sheet with its subsidiary i.e Kamarhatty Power Limited. The Power Plant of the Subsidiary Company has stopped its operation in 2011 and the possession of Fixed Assets including Current Assets at generating Plant of the Subsidiary has been taken over by WBIDC in the year 2012 for the non-payment of loan and interest thereon.

The Subsidiary Company filed a writ petition to the Division Bench of the Hon'ble High Court at Calcutta for obtaining the differential rate of tariff and damages from WBSEDCL for which the Subsidiary Company is eligible. In September 2014, the Hon'ble High Court at Calcutta has ordered WBSEDCL for making payment of the arrear dues and damages to the Subsidiary Company. The WBSEDCL subsequently made a special leave petition in the Hon'ble Supreme Court of India against the order of Hon'ble High Court. By Order dated 23.03.2015 passed by the Hon'ble Supreme Court of India in connection with the petition for special leave appeal (C) CC 4437-4438/2015 had uphold the decision of the Hon'ble High Court at Calcutta and directed WBSEDCL to pay the arrear which are due to the Company within six weeks. The Subsidiary Company has received from WBSEDCL a sum of Rs.7.88 crore and Rs.29.97 lacs during the year 2015-2016 as a part of the arrear dues on account of unsettled tariff for sale of electricity to WBSEDCL. The Subsidiary Company has also received Rs.3.00 crore in 2015-16 from WBSEDCL by virtue of the said order as part payment of delayed payment surcharge.

The aggregated amount of the refund of Rs.1118.01 lakhs received from WBSEDCL by the Subsidiary Company by virtue of Court Orders as above by the Subsidiary company has been refunded back to the Company to adjust against the loan advanced to the Subsidiary Company.

As Kamarhatty Power Limited had filed a suit for recovery of the outstanding balance of eligible dues including interest thereon from WBSEDCL to whom the entire power was sold, it is very likely that it would succeed to obtain the rest of the amount and as such the investment by Kamarhatty Company Limited at this stage is considered good.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE : 30 RELATED PARTY DISCLOSURES:**

Related Party Disclosures as required by Ind AS – 24, 'Related Party Disclosure' are given below:

**i) Key Management Personnel:-**

Shri S.K. Agarwal, Managing Director  
 Shri H.Nahata, Executive Director

Relatives of Key Managerial Personnel: Shri S.K.Agarwal, Shri H.K. Agarwal, Shri D.K. Agarwal, Smt S.D. Agarwal, Smt Kalpana Agarwal, Shri S.K. Agarwal (HUF), Smt Sweta Agarwal, Smt Sarita Agarwal, Smt Priti Agarwal, Shri Rajendra Kr. Bansal, Shri Jagdish Prasad Bansal, Smt Hema Bansal.

**b) Transactions with related parties:**

**i) Remuneration paid to key Managerial Personnel:**

(All amounts in INR lakhs)

	<b>31.03.2018</b>	<b>31.03.2017</b>
Late B.P. Agarwal (Demised on 07.12.2017)	<b>7.95</b>	11.70
S.K. Agarwal	<b>11.23</b>	11.23
H.Nahata	<b>10.17</b>	10.12
	<b>29.35</b>	33.05
A. Lakhotia	<b>1.01</b>	–
R. Singh	–	3.45
<b>Total</b>	<b>30.36</b>	36.50

a) List of Related Parties.

**ii) Parties where control exists.**

<b>Name of the Related Party</b>	<b>Nature of relationship</b>
a) Kamarhatty Power Ltd.	Subsidiary Company
b) Kamakshi Jute Industries Ltd	Company in which some of the Directors are interested as Directors
c) Hemp Trading Pvt Ltd	Company in which Director is interested as a Director and as a member
d) Annapurna Commercial Company Ltd	Company in which Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
e) Kamarhatty Industries Ltd	Company in which Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
f) Malsisar Converting Machinery P Ltd	Company in which Director is interested as a Director.
g) Tornado Consultants Ltd.	Company in which Director is interested as a Director.
h) Keshava Jute Mills Pvt. Ltd.	Company in which Director is interested as a Director.

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### TRANSACTION WITH THE RELATED PARTIES

(All amounts in INR lakhs)

Received From	Relation	Nature of Transaction	Outstanding as on 31.03.2018	Outstanding as on 31.03.2017	Outstanding as on 31.03.2016
B.P. Agarwal	Director or Relative of Director of the Company	Loans and Advances	-	1.20	0.75
B.P. Agarwal (HUF)	Director or Relative of Director of the Company	Loans and Advances	34.65	31.20	26.25
Dharmesh Kr. Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	4.70	8.65	16.00
Dharmesh Kr. Agarwal,	Director or Relative of Director of the Company	Loans and Advances	62.25	55.50	46.30
Hema Bansal.	Director or Relative of Director of the Company	Loans and Advances	22.30	22.87	22.30
Hitesh Kr. Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	37.05	36.90	33.90
Hitesh Kr. Agarwal.	Director or Relative of Director of the Company	Loans and Advances	22.80	21.90	15.45
J.P.Bansal Family Trust.	Director or Relative of Director of the Company	Loans and Advances	5.00	5.14	5.00
Jagdish Prasad Bansal (HUF).	Director or Relative of Director of the Company	Loans and Advances	0.90	0.90	0.90
Kalpana Agarwal,	Director or Relative of Director of the Company	Loans and Advances	36.40	28.87	22.85
Paridhi Agarwal,	Director or Relative of Director of the Company	Loans and Advances	0.75	1.25	7.50
Priti Agarwal,	Director or Relative of Director of the Company	Loans and Advances	8.00	10.22	9.00
Rajendra Kumar Bansal.	Director or Relative of Director of the Company	Loans and Advances	2.95	3.00	2.95
Ramesh Kumar Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	23.50	23.50	13.50
Ramesh Kumar Agarwal,	Director or Relative of Director of the Company	Loans and Advances	26.50	15.50	13.50
Sakuntala Devi Agarwal,	Director or Relative of Director of the Company	Loans and Advances	59.85	34.70	27.80
Sarita Agarwal,	Director or Relative of Director of the Company	Loans and Advances	40.40	31.65	28.15
Sejal Agarwal,	Director or Relative of Director of the Company	Loans and Advances	16.75	16.25	6.50
Sushant Kr Agarwal (HUF).	Director or Relative of Director of the Company	Loans and Advances	50.25	47.35	42.85

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

Received From	Relation	Nature of Transaction	Outstanding as on 31.03.2018	Outstanding as on 31.03.2017	Outstanding as on 31.03.2016
Sushant Kumar Agarwal.	Director or Relative of Director of the Company	Loans and Advances	47.60	23.35	7.60
Sweta Agarwal.	Director or Relative of Director of the Company	Loans and Advance	16.75	10.90	10.60
Utkarsh Agarwal	Director or Relative of Director of the Company	Loans and Advances	38.35	-	-
Udisha Agarwal,	Director or Relative of Director of the Company	Loans and Advances	31.65	24.45	15.80
Malsisar Converting Machinery Pvt. Ltd	A Company in which some of the Directors are interested as Director	Loans and Advances	327.28	297.73	320.15
Kamarhatty Power Ltd	Subsidiary Company	Note - 1 Advances	90.03	79.52	32.69
Keshava Jute Mills Pvt. Ltd	A Company in which some of the Directors are interested as Director	Purchase of finished goods & sale of raw jute & stocks	1.98	5.77	-
Kamakshi Jute And Industries Ltd	A Company in which some of the Directors are interested as Director	Loans and Advances	13.06	26.42	14.12
Tornado Consultants Ltd	A Company in which some of the Directors are interested as Director	Loans and Advances & purchase of yarn & raw jute	157.37	0.52	1.90

**NOTE – 1** :- Advance given

**31 SEGMENT REPORTING - PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)**

(All amounts in INR lakhs)

	JUTE 2017-2018	PAPER 2017-2018	ELIMINATION 2017-2018	TOTAL 2017-2018	JUTE 2016-2017	PAPER 2016-2017	ELIMINATION 2016-2017	TOTAL 2016-2017
<b>A</b>								
Revenue :								
External Sales	14,646.67	1,693.97	-	16,340.64	16,654.93	1,204.61	-	17,859.54
Inter-Segment Sales	-	-	-	-	-	-	-	-
Total Revenue	14,646.67	1,693.97	-	16,340.64	16,654.93	1,204.61	-	17,859.54
<b>B</b>								
Results :								
Segment Result	284.80	84.63		369.43	582.60	(127.21)		455.39
Unallocated Corporate income net of Unallocated Corporate expenses				212.34				186.12
Profit before interest ,etc.,and taxation				581.77				641.51
Interest expense(net of Interest Income)				(325.70)				(312.25)
Profit on Sale of Property, Plant & Equipment				28.65				25.22
Tax expense				(88.91)				(22.14)
Profit after Tax				195.82				332.34
<b>C</b>								
Other Information								
Segment Assets	12,788.74	1,063.65	(194.67)	13,657.72	10,483.48	923.51	(125.56)	11,281.42
Unallocated Corporate assets				882.82				896.70
<b>Total Assets</b>				<b>14,540.54</b>				<b>12,178.12</b>
Segment Liabilities	7,829.40	725.55	(194.67)	8,360.28	5,793.88	630.83	(125.56)	6,299.14
Unallocated Corporate Liabilities				2,418.59				2,251.48
<b>Total Liabilities</b>				<b>10,778.87</b>				<b>8,550.63</b>
<b>Capital Expenditure</b>	<b>698.40</b>	<b>15.63</b>		<b>714.03</b>	<b>462.31</b>	<b>1.29</b>		<b>463.60</b>
Unallocated Capital Expenditure				0.60				5.29
Depreciation & Amortisation	315.82	15.77		331.59	272.56	15.33		287.88
Unallocated Depreciation				41.55				41.97

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE-32 CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other
- shareholders and maintain an optimal capital structure to reduce the cost of capital.

**NOTE: 33 FAIR VALUE MEASUREMENTS**

**Financial instruments by category**

(All amounts in INR lakhs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments			2.87			2.87			2.87
Trade receivables			1,771.60			1,470.90			1,500.80
Cash & cash equivalents			28.49			26.95			51.03
Bank balances other than cash & cash equivalents			141.94			100.94			151.52
Interest accrued on deposits			7.13			5.64			8.11
<b>TOTAL FINANCIAL ASSETS</b>			<b>1,952.03</b>			<b>1,607.30</b>			<b>1,714.32</b>
Financial liabilities									
Borrowings			3,097.00			2,740.17			1,663.37
Trade payables			4,094.23			3,302.49			3,583.18
Security deposit			179.83			166.18			169.50
Other payables			751.41			660.39			690.29
<b>TOTAL FINANCIAL LIABILITIES</b>			<b>8,122.47</b>			<b>6,869.22</b>			<b>6,106.34</b>

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value

- recurring fair value measurements - At 31 March 2018

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments</b>				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	2.87
<b>Total financial assets</b>	-	-	2.87	2.87
<b>Financial liabilities</b>				
<b>Total financial liabilities</b>				



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in INR lakhs)

Financial assets and liabilities measured at fair value - recurring fair value measurements - At 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	2.87
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>2.87</u>	<u>2.87</u>
Financial assets and liabilities measured at fair value - recurring fair value measurements - At 1st April 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	2.87
<b>Total financial assets</b>	<u>-</u>	<u>-</u>	<u>2.87</u>	<u>2.87</u>

Level 3 [Fair values determined using valuation techniques with significant unobservable inputs]:

In case of unquoted equity instrument where most recent information to measure the value is not sufficient, cost has been considered as Fair value.

There are no transfers between levels 1 and 2 during the year.

- (a) The carrying amounts of trade receivables, loans, cash and cash equivalents, other bank balances, other financial assets, security deposits, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- (b) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**NOTE 34 MATURITY ANALYSIS FOR FINANCIAL LIABILITIES**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(All amounts in INR lakhs)

<b>Contractual maturities of financial liabilities 31 March 2018</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	892.31	-	2,204.69	-	3,097.00
Other financial liabilities	751.41	-	179.83	-	931.24
Trade payables	4,094.23	-	-	-	4,094.23
<b>Total financial liabilities</b>	<b>5,737.96</b>	<b>-</b>	<b>2,384.52</b>	<b>-</b>	<b>8,122.47</b>
<b>Contractual maturities of financial liabilities 31 March 2017</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	789.99	-	1,950.18	-	2,740.17
Other financial liabilities	660.39	-	166.18	-	826.57
Trade payables	3,302.49	-	-	-	3,302.49
<b>Total financial liabilities</b>	<b>4,752.87</b>	<b>-</b>	<b>2,116.35</b>	<b>-</b>	<b>6,869.22</b>
<b>Contractual maturities of financial liabilities 1 APRIL 2016</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	483.98	-	1,179.39	-	1,663.37
Other financial liabilities	690.29	-	169.50	-	859.79
Trade payables	3,583.18	-	-	-	3,583.18
<b>Total financial liabilities</b>	<b>4,757.45</b>	<b>-</b>	<b>1,348.89</b>	<b>-</b>	<b>6,106.34</b>

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### NOTE: 35 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base and approved counter parties.
<b>Liquidity risk</b>	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
<b>Foreign Currency Risk</b>	Trade Receivables, Trade payables	Sensitivity analysis	Company does not have significant foreign currency exposure
<b>Market risk – interest rate</b>	Long-term borrowings at variable rates	Sensitivity analysis	Diversified debt portfolio Regular monitoring of borrowings

#### NOTE: 36 NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt

Particulars	31 March 2018	31 March 2017
Current borrowings	892.31	789.99
Non-current borrowings	<b>2,204.69</b>	1,950.18
<b>NET DEBT</b>	<b><u>3,097.00</u></b>	<b><u>2,740.17</u></b>

Particulars	Liabilities from financing activities	
	Non-current borrowings	Current borrowings
Net debt as at 01 April 2017	1,950.18	789.99
Proceeds from borrowings during the year	1,205.64	19,269.72
Repayment of borrowings during the year	<u>(951.12)</u>	<u>(19,167.40)</u>
Net debt as at 31 March 2018	<u>2,204.69</u>	<u>892.31</u>

## **KAMARHATTY COMPANY LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

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#### **NOTE: 37 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 Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017. The Company had revalued its freehold land, buildings and plant and machinery on 30.06.1985 and revaluation reserve of Rs.241.02 lacs on transition date has been adjusted in retained earnings.

#### **A. Exemptions and exceptions availed**

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional 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 recognised 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 after making necessary adjustments for de-commissioning liabilities. 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 their previous GAAP carrying value.

##### **Investments in subsidiaries**

Ind AS 101 permits a first time-adopter to elect to continue with the carrying values of all its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

##### **Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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exemption for its investment in equity investments.

Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS's 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 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Investment in equity instruments carried at FVOCI

Investment in debt instruments carried at FVTPL.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

Accordingly, the Company has determined the classification and measurements of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

#### **B. Transition to Ind AS – Reconciliations**

The following reconciliation provides the explanation and qualifications of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards".

- i) Reconciliation of Balance Sheet as at 1st April,2016 (Transition date ) and as at 31st March,2017.
- ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March,2017
- iii) Reconciliation of Statement of Cash Flows for the year ended 31st March,2017
- iv) Reconciliation of Total Equity as at 1st April,2016 and 31st March,2017

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**37(I) EFFECT OF IND AS ADOPTION ON THE BALANCE SHEET AS AT 31ST MARCH,2017 AND 1ST APRIL 2016**

(All amounts in INR Lakhs )

Particulars	Notes	31 March 2018	Balance Sheet as at 31 March,2017		Opening Balance Sheet as at 1 April,2016			
<b>ASSETS</b>								
Non-current assets			Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Property, plant and equipment		3,901.37	-	-	3,901.37	3,807.70	-	3,807.70
Capital work in progress		880.54	-	-	880.54	139.21	-	139.21
Other intangible assets		3.18	-	-	3.18	2.17	-	2.17
Investment in subsidiaries		378.11	-	-	378.11	378.11	-	378.11
Financial assets								
(i) Investments		2.87	-	-	2.87	2.87	-	2.87
Other non-current assets		14.87	-	-	14.87	97.56	-	97.56
<b>Total non-current assets</b>		<u>5,180.93</u>	-	-	<u>5,180.93</u>	<u>4,427.61</u>	-	<u>4,427.61</u>
<b>Current assets</b>								
Inventories		4,055.70	-	-	4,055.70	3,243.60	-	3,243.60
Financial assets								
(i) Trade receivables		1,470.90	-	-	1,470.90	1,500.80	-	1,500.80
(ii) Cash and cash equivalents		26.95	-	-	26.95	51.03	-	51.03
(iii) Bank balances other than (iii) above		100.94	-	-	100.94	151.52	-	151.52
(iv) Other financial assets		5.64	-	-	5.64	8.11	-	8.11
Current tax assets		532.59	-	-	532.59	502.41	-	502.41
Other current assets		467.65	-	-	467.65	531.08	-	531.08
<b>Total current assets</b>		<u>6,660.36</u>	-	-	<u>6,660.36</u>	<u>5,988.54</u>	-	<u>5,988.54</u>
<b>Total assets</b>		<u>11,841.30</u>	-	-	<u>11,841.30</u>	<u>10,416.15</u>	-	<u>10,416.15</u>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Equity share capital		561.70	-	-	561.70	561.70	-	561.70
Other equity		3,065.79	-	-	3,065.79	2,712.41	-	2,712.41
<b>Total equity</b>		<u>3,627.49</u>	-	-	<u>3,627.49</u>	<u>3,274.11</u>	-	<u>3,274.11</u>
<b>Liabilities</b>								
<b>Non-current liabilities</b>								
<b>Financial liabilities</b>								
(i) Borrowings		1,950.18	-	-	1,950.18	1,179.39	-	1,179.39
(ii) Other financial liabilities		166.18	-	-	166.18	169.50	-	169.50
Deferred tax liabilities (net)		11.65	-	-	11.65	9.30	-	9.30
Other non-current liabilities		-	-	-	-	-	-	-
<b>Total non-current liabilities</b>		<u>2,128.01</u>	-	-	<u>2,128.01</u>	<u>1,358.19</u>	-	<u>1,358.19</u>
<b>Current liabilities</b>								
<b>Financial liabilities</b>								
(i) Borrowings		789.99	-	-	789.99	483.98	-	483.98
(ii) Trade payables		3,302.49	-	-	3,302.49	3,583.18	-	3,583.18
(iii) Other financial liabilities		660.39	-	-	660.39	690.29	-	690.29
Other current liabilities		833.15	-	-	833.15	605.92	-	605.92
Provisions		27.70	-	-	27.70	23.43	-	23.43
Current tax liabilities		472.08	-	-	472.08	397.05	-	397.05
<b>Total current liabilities</b>		<u>6,085.80</u>	-	-	<u>6,085.80</u>	<u>5,783.85</u>	-	<u>5,783.85</u>
<b>Total liabilities</b>		<u>8,213.81</u>	-	-	<u>8,213.81</u>	<u>7,142.04</u>	-	<u>7,142.04</u>
<b>Total equity and liabilities</b>		<u>11,841.30</u>	-	-	<u>11,841.30</u>	<u>10,416.15</u>	-	<u>10,416.15</u>

The previous GAAP figure have been reclassified to confirm to Ind AS presentational requirement for the purpose of this note.

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### 37(II) EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH,2017

**Note: 12 Other equity**

**A. Reserve and Surplus**

(All amounts in INR lakhs)

Particulars	NOTE	31st March Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>I. INCOME</b>				
Revenue from operations		17,623.45	236.08	17,859.54
OTHER OPERATING INCOME		131.12	–	131.12
Other Income		454.15	–	454.15
<b>Total Revenue</b>		<u>18,208.73</u>	<u>236.08</u>	<u>18,444.81</u>
<b>II. EXPENSES</b>				
Cost of Materials Consumed		10,479.72	–	10,479.72
Purchase of Traded Goods - finished & semi finished goods		633.18	–	633.18
Change in inventories of finished goods and stock in process		(302.86)	–	(302.86)
Employee benefit expenses		3,725.41	–	3,725.41
FINANCE COST		322.77	–	322.77
Depreciation and amortisation expense		329.85	–	329.85
Other expenses		2,666.17	236.08	2,902.25
<b>Total Expenses</b>		<u>17,854.25</u>	<u>236.08</u>	<u>18,090.33</u>
<b>III. PROFIT BEFORE TAX</b>		354.48	–	354.48
LESS:				
<b>IV Tax Expenses:</b>				
- Current tax Expenses		72.29	–	72.29
- Minimum Alternate Tax AVAILED / (Credit entitlement)		(52.50)	–	(52.50)
- Deferred Tax Liability		2.35	–	2.35
<b>TOTAL TAX EXPENSE</b>		<u>22.14</u>	<u>–</u>	<u>22.14</u>
<b>V Profit for the year (A)</b>		332.34	–	332.34
<b>VI OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		–	–	–
<b>VII TOTAL Comprehensive Income for the year(A)+(B)</b>		<u>332.34</u>	<u>–</u>	<u>332.34</u>

The previous GAAP figure have been reclassified to conform to Ind AS presentational requirements for the purpose of this note.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**37(III) EFFECT OF IND AS ADOPTION ON THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2017**

(All amounts in INR lakhs)

<b>Particulars</b>	<b>Previous GAAP</b>	<b>Effect of transition to Ind AS</b>	<b>Ind AS</b>
Net Cash generated FROM Operating Activities	442.12	0	442.12
Net Cash used in Investing Activities	(1,171.25)	0	(1,171.25)
Net Cash generated from Financing Activities	654.48	0	654.48
Net increase in Cash and cash equivalent	(74.66)	-	(74.66)
Cash & Cash equivalents -Opening balance	202.55	0	202.55
Cash & Cash equivalents -Closing balance	127.89	-	127.89

Effect of Ind AS adoption on the Comprehensive Income for the year ended 31st March,2017

	INR lakhs
GAAP	332.23
Total Comprehensive Income	332.23



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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#### NOTES TO THE STANDALONE FINANCIAL STATEMENTS

#### 37(IV): RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

Reconciliation of total equity as at 31 March 2017 and 1 April 2016 (All amounts in INR lakhs)

Particulars	Note	31 March 2017	31 March 2016
Total equity (shareholder's funds) as per previous GAAP		3,627.49	3,274.11
Adjustments	1	–	–
Total equity as per Ind AS		<u>3,627.49</u>	<u>3,274.11</u>

Footnotes:

a) Reclassification

The Company has done the following reclassifications as per requirement of Ind AS:-

- i) Assets/Liabilities which do not meet the definition of financial asset/ financial liability have been reclassified to other asset/liability
- 2) Jute Manufacturing Cess / Paper manufacturing Excise duty on sales were earlier netted off with Revenue from Operations, now the Revenue from operations is representing figure with a corresponding increase in expenses.

38. Previous GAAP figures have been reclassified / regrouped to confirm the presentation requirements under Ind AS and the requirements laid down in Division II of the Schedule III of the Companies Act'2013.



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**REPORT & ACCOUNTS OF SUBSIDIARY COMPANY**

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**KAMARHATTY POWER LIMITED**

Registered Office:  
16A, Brabourne Road,  
Kolkata - 700001

**CIN: U40105WB2005PLC102730**

**NOTICE**

Notice is hereby given that Annual General Meeting of the members of **Kamarhatty Power Limited** will be held on Saturday, the 29th day of September, 2018 at 02:00 P.M. at the Registered Office of the Company at 16A, Brabourne Road, Kolkata – 700001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended 31st March, 2018, the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sushant Kumar Agarwal (DIN: 00546541), who retires by rotation and being eligible, offers himself for reappointment.

By Orders of the Board of Directors  
For **Kamarhatty Power Limited**

Place:Kolkata  
Dated :14th August 2018

**Sushant Kumar Agarwal**  
(Director)  
DIN: 00546541

**NOTE:**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy such person shall not act as a proxy for any person or shareholder.

# KAMARHATTY POWER LIMITED

## DIRECTORS' REPORT

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To the Members of  
KAMARHATTY POWER LIMITED

Your Board of Directors have pleasure in presenting before you the Annual Report of KAMARHATTY POWER LIMITED ("the Company") together with the Audited Financial Statements for the financial year ended 31.03.2018.

### 1. FINANCIAL HIGHLIGHTS

Particulars	Amount (Rs. in lakh)	Amount (Rs. in lakh)
	31.03.2018	31.03.2017
Profit/ (Loss) Before Depreciation & Tax	(10.08)	(47.45)
Less: Depreciation & Amortisation	–	–
Less: Provision for Income Tax Deferred Tax	–	–
<b>Profit/ (Loss) After Tax</b>	<b>(10.08)</b>	<b>(47.45)</b>

### 2. STATE OF COMPANY'S AFFAIRS

Your Company during the year 2017-18 under review has a Loss of Rs.(10.08) lacs in comparison to previous year 2016-17, Net Loss of Rs.(47.45) Lacs

### 3. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company occurring between the end of the financial year of the Company, to which the financial statements relate, and the date of report.

### 4. DIVIDEND

With the view to conserving the resources of company your Directors are unable to recommend any dividend for the period under report.

### 5. TRANSFER TO RESERVES

No amount is proposed to be carried over to any reserve during the year.

### 6. CHANGE IN NATURE OF BUSINESS

There are no changes in the nature of business. The Company's biomass power generating plant under non-conventional sources of energy is shut down since May, 2011.

### 7. PARTICULARS OF EMPLOYEES

No employee in the Company was in receipt of remuneration in excess of the amount specified under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 8. DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act,2013 and rules made thereunder. As such, no amount of principal or interest was outstanding as of the Balance Sheet date. nor is there any deposit in non-compliance of Chapter V of the Companies Act,2013.

### 9. DETAILS OF SUBSIDIARY/JOINT VENTURE/ ASSOCIATE COMPANIES

During the year under review your Company did not have any the Subsidiary or Associate Companies or Joint Venture(s).

### 10. ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial control procedures commensurate with the size,

## KAMARHATTY POWER LIMITED

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scale and complexity of its operation. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

### 11. SHARE CAPITAL

During the year the Company has not allotted any equity shares.

### 12. DIRECTORS

There were no changes in the composition of Board of Directors of your Company during the year.

### 13. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are not relevant in view of the nature of business activities of the Company and hence are not required to be given. This provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, do not apply your Company.

### 14. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to clause (c) of sub-section 3 of section 134 of the Companies Act,2013, it is stated that

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 15. AUDITOR'S OBSERVATIONS

The Report of the Auditors is self-explanatory and does not call for any further comments from the Directors.

### 16. STATUTORY AUDITORS :

M/s. Khandelwal Ray & Co., Chartered Accountants (Firm Registration Number 302035E), were appointed as Statutory Auditors of the Company by the members at the 218th Annual General Meeting held on 23.09.2017 for period of 5 consecutive subject to ratification by the Members at every Annual General Meeting.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.e.f. 7th May, 2018 Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive Annual General Meeting and no ratification of appointment of Statutory Auditors is required at the ensuing Annual General Meeting.

### 17. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure 1** to the Board's report.

## KAMARHATTY POWER LIMITED

### 18. BOARD MEETINGS

During the year ended 31st March, 2018, 4 (Four) Board Meetings were held i.e. on May 27, 2017, August 12, 2017, November 11, 2017 and February 10, 2018. Attendance of the Directors has been as follows:

Name of the Director	Whether attended the meetings held on			
	27.05.2017	12.08.2017	11.11.2017	10.02.2018
Late B.P. Agarwal	YES	YES	NO	NO
Shri S.K. Agarwal	YES	YES	YES	YES
Shri Gautam Ukil	YES	YES	YES	YES
Shri S.Z. Hussain	YES	YES	YES	YES
Shri A. Dasgupta	YES	YES	YES	YES
Shri L.K. Jain	YES	NO	YES	NO
Shri S.K. Nathany	YES	YES	YES	YES

### 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

During the year the Company has not given any loans, made investments and provided guarantee requiring disclosure under section 186 of Companies Act, 2013.

### 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and they do not have any potential conflict with interest of the Company at large.

### 21. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a policy of zero tolerance for sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, the Company has not received any complaint on sexual harassment.

### 22. RISK MANAGEMENT POLICY

In terms of Section 134(3)(n) of the Act, the Board of Directors has adopted a Risk Management Policy which includes identification of element of risk, its mitigation and other related matters.

### 23. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company since the Company falls below the threshold limits.

### 24. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Ministry of Corporate Affairs, and Central and State Government Authorities for their kind support and guidance during the year under review.

By order of the Board of Directors

Place : Kolkata  
Dated :14th August 2018

(Lalit Kumar Jain)  
Director  
DIN: 00433511

For Kamarhatty Power Limited  
(Sushant Kumar Agarwal)  
Director  
DIN:00546541



## KAMARHATTY POWER LIMITED

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

### ANNEXURE-1

#### FORM NO. MGT 9

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

as on financial year ended on 31.03.2018 of  
Kamarhatty Power Limited

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management & Administration ) Rules, 2014.**

<b>I. REGISTRATION AND OTHER DETAILS</b>		
i)	CIN	U40105WB2005PLC02730
ii)	Registration Date	12-04-2005
iii)	Name of the Company	KAMARHATTY POWER LTD
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and contact details	16A. Brabourne Road, Kolkata - 700 001 Phone :- 91-33-40211917/1901 E-mail - power@kamarhatty.com
vi)	Whether listed company	No
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	NIL

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-			
Sr. No.	Name and Description of main Businesses	NIC Code of the Product/service	% of Total Turnover of the Company
1	N.A.	N.A	N.A.

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (NOT APPLICABLE)</b>					
Sr.	Name & Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.

# KAMARHATTY POWER LIMITED

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity)

### (i) Category-wise Share Holding

(No. of Shares in lakh)

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				%change over Previous Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
<b>A Promoters</b>									
(1) Indian									
a) Individual/HUF		-				-			-
b) Central Govt.or State Govt									
c) Bodies Corporates		38.81	38.81	97.01		38.81	38.81	97.01	
d) Bank/FI									
e) Any other									
<b>Sub Total:(A) (1)</b>	0	38.81	38.81	97.01	0	38.81	38.81	97.01	
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub Total (A) (2)</b>									
<b>Total Shareholding of Promoter "(A)= (A)(1) + (A)(2)"</b>	0	38.81	38.81	97.01	0	38.81	38.81	97.01	
<b>B) Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds (specify)									
<b>Sub Total (B)(1):</b>	0	0	0	0	0	0	0	0	
(2) Non Institutions									
a) Bodies corporates									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	0.32	0.32	0.78	-	0.32	0.32	0.78	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		0.88	0.88	2.20	-	0.88	0.88	2.20	-
c) Others (specify)									
<b>Sub Total (B)(2):</b>	0	1.20	1.20	2.98	0	1.20	1.20	2.98	
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	1.20	1.20	2.98	0	1.20	1.20	2.98	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A + B + C)</b>	0	40.00	40.00	100.0	0	40.00	40.00	100.0	

## KAMARHATTY POWER LIMITED

### IV SHAREHOLDING PATTERN (Equity Shares capital Break up as % of total Equity)

#### ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholders Name	Number of shares held at the April 01, 2017			Number of shares held at the March 31, 2018			% change over previous year
		No. of Shares (in lakh)	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares (in lakh)	% of total shares of the Company	% of Shares Pledged	
1	Kamarhatty Company Ltd	25.21	63.02	-	25.21	63.02	-	-
2	Trend Vyapar Limited	13.60	33.99	-	13.60	33.99	-	-
	<b>Total</b>	<b>38.81</b>	<b>97.01</b>	<b>-</b>	<b>38.81</b>	<b>97.01</b>	<b>-</b>	<b>-</b>

#### iii) Change in Promoters' Shareholding (Specify, if there is no change)

There is no change in Promoters shareholding

#### iv) Shareholding Pattern (Equity Share Capital as percentage of Total Equity)

Shareholding pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Number of share held as at April 01, 2017		Number of share held as at March 31, 2018		% change in holding during the year
		No. of Shares (in lakh)	% of total shares of the Company	No. of Shares (in lakh)	% of total shares of the Company	
1	Mahendra Kumar Jain	0.05	0.13	0.05	0.13	N.A
2	Dharmesh Kumar Agarwal	0.10	0.24	0.10	0.24	N.A
3	Badri Prasad Agarwal(HUF)	0.05	0.11	0.05	0.11	N.A
4	Kalpana Agarwal	0.18	0.45	0.18	0.45	N.A
	<b>Total</b>	<b>0.37</b>	<b>0.93</b>	<b>0.37</b>	<b>0.93</b>	

#### (v) Shareholding of Directors & Key Managerial Personnel

Sl. No.	For Each of the Top 10 Shareholders	Number of share held as at April 01, 2017		Number of share held as at March 31, 2018		% change in holding during the year
		No. of Shares (in lakh)	% of total shares of the Company	No. of Shares (in lakh)	% of total shares of the Company	
1	Late Badri Prasad Agarwal	0.36	0.89	0.36	0.89	N.A
2	Sushant Kumar Agarwal	0.34	0.86	0.34	0.86	N.A
3	Lalit Kumar Jain	0.08	0.18	0.08	0.18	N.A
4	Shiv Kumar Nathany	0.05	0.13	0.05	0.13	N.A
	<b>Total</b>	<b>0.83</b>	<b>2.06</b>	<b>0.83</b>	<b>2.06</b>	

## KAMARHATTY POWER LIMITED

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity)

#### vi) INDEBTEDNESS

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

Name of the Promoter	Secured Loans (excluding deposits) (in lakh)	Unsecured Loans (in lakh)	Deposits (Under section 73(2) of Companies	Total Indebtedness (in lakh)
<b>Indebtness as at April 01,2017</b>				
i) Principal Amount	-	265.88	-	265.88
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
<b>Total (i+ii+iii)</b>		<b>265.88</b>		<b>265.88</b>
Change in Indebtedness during the year				
(i) Additions	-	10.51	-	10.51
Interest due but not paid	-		-	
Interest accrued but not due	-		-	
(ii) Reduction	-		-	
<b>Net Change</b>		<b>10.51</b>		<b>10.51</b>
<b>Indebtedness as at March 31,2018</b>				
i) Principal Amount	-	276.39	-	276.39
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due			-	-
<b>Total (i+ii+iii)</b>		<b>276.39</b>		<b>276.39</b>

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	NAME OF THE DIRECTORS	Total Amount (Rs. in lakh)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit others (specify)	-	-
5	Others, Annual Incentive	-	-
6	<b>Total (A)</b>	-	-
7	<b>Ceiling as per the Act</b>	-	-

## KAMARHATTY POWER LIMITED

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

B. Remuneration to Other Directors

1. Independent Directors

Sl. No.	Particulars of Remuneration	NAME OF THE DIRECTORS	Total Amount (Rs. in lakh)
	(a) Fee for attending Board/ Committee meetings	-	-
	(b) Commission	-	-
	(c) Others: Annual Incentive	-	-
	<b>Total (B)(1)</b>	-	-

2 Non Executive Directors:

Sl. No.	Particulars of Remuneration	NAME OF THE DIRECTORS	Total Amount (Rs. in lakh)
	(a) Fee for attending "board committee meetings	Gautam Ukil	0.06
		Syed Zakir Hussain	0.06
		Ashis Dasgupta	0.06
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	<b>Total (B) (2)</b>	-	0.18
	<b>Total (B)=(1+2)</b>	-	0.18
	<b>Total Managerial Remuneration</b>		
	Overall Ceiling as per the Act.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

None

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description of punishment/ Compounding fees imposed	Details of Penalty / Punishment / Court	Authority [RD / NCLT / court]	Appeal mode
<b>A. Company</b>					
Penalty Punishment Compounding			No Penalties, Punishment or Compounding of Offences		
<b>B. Directors</b>					
Penalty Punishment Compounding			No Penalties, Punishment or Compounding of Offences		
<b>C. Other Officers in Default</b>					
Penalty Punishment Compounding			No Penalties, Punishment or Compounding of Offences		

## KAMARHATTY POWER LIMITED

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

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### 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.**

**The Kamarhatty Power Ltd has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2017-18**

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

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Kamarhatty Power Ltd Holding of Kamarhatty Company ltd
	Nature of contracts/arrangements/transaction	Loan taken
	Duration of the contracts/arrangements/transaction	Not Applicable
	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.10,50,560
	Date of approval by the Board	10.02.2018
	Amount paid as advances, if any	NIL

## KAMARHATTY POWER LIMITED

ANNEXURE TO THE SHAREHOLDERS' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

SL. No.	Particulars	Details
1.	Name of the subsidiary	Kamarhatty Power Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	–
4.	Share capital	4,00,00,000
5.	Reserves & surplus	(11,38,21,522)
6.	Total assets	1,70,243
7.	Total Liabilities	1,70,243
8.	Investments	–
9.	Turnover	–
10.	Profit before taxation	(10,08,298)
11.	Provision for taxation	–
12.	Profit after taxation	(10,08,298)
13.	Proposed Dividend	–
14.	% of shareholding	63.02%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	N.A.
1. Latest audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
(i) Considered in Consolidation	
(ii) Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

# **KAMARHATTY POWER LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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**To The Members of  
The Kamarhatty Power Limited**

### **Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Ind AS standalone financial statements of Kamarhatty Power Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 the significant accounting policies and other explanatory information which we have signed under reference to this report. According to information & explanation given to us there was no material other Comprehensive Income of the Company during the year under Report.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. In conducting our Audit, we have taken into account the provisions of the Act and the Rules made there under including 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 thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' 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 a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. 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.



## KAMARHATTY POWER LIMITED

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### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 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 controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company has no amount required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2018.

For **KHANDELWAL RAY & CO.**  
*Chartered Accountants*  
Registration No. 302035E  
**SANJAY KHANDELWAL**  
*Partner*  
Membership No. 054451

Place : Kolkata  
Dated : 9th day of June, 2018

## **KAMARHATTY POWER LIMITED**

### **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

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**Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Kamarhatty Power Limited on the standalone financial statements as of and for the year ended March 31, 2018**

- (i) The Company has no fixed assets as on 31.03.2018 (Refer note no.2.3)
- (ii) The Company has no inventories of raw materials and stores in view of the possession of all assets (fixed and current) taken over by the Financial Institution (WBIDC) (Refer note no.2.3).
- (iii) As informed to us and on the basis of examination of books of accounts, the Company has not granted any loan during the year secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) The Company has not paid /provided for managerial remuneration.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit as stipulated under the provision of Section 73 to Section 76 of the Companies Act, 2013 and Rules framed there under to the extend notified.
- (vi) The possession of the factory has been taken over by WBIDC (West Bengal Industrial Development Corporation Ltd) and the company has no business of electric power generation.
- (vii) The company has stopped the generation of electric power and all assets have been taken over by WBIDC. The company has no statutory dues to be paid to any authorities and there is no arrear dues to be paid also. There is no disputed statutory liability.
- (viii) Based on our audit procedures and on the information and explanations given by the management the company has defaulted in repayment of dues to the Financial Institution (WBIDC) during the year.
- (ix) The company has not taken any Term Loan during the year. The Term Loan taken in the earlier year was applied for the purpose for what it was taken. During the year the company has not raised money by way of initial public offer or further public offer.
- (x) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company.
- (xiii) 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 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given 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.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KHANDELWAL RAY & CO.**  
*Chartered Accountants*  
Registration No. 302035E  
**SANJAY KHANDELWAL**  
*Partner*  
Membership No. 054451

Place : Kolkata  
Dated : 9th day of June, 2018

## KAMARHATTY POWER LIMITED

### ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Kamarhatty Power Limited on the standalone financial statements for the year ended March 31, 2018

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Kamarhatty Power Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

## KAMARHATTY POWER LIMITED

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assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

8. 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 Accountants of India.

Place : Kolkata  
Dated : 9th day of June, 2018

For **KHANDELWAL RAY & CO.**  
*Chartered Accountants*  
Registration No. 302035E  
**SANJAY KHANDELWAL**  
*Partner*  
Membership No. 054451

**KAMARHATTY POWER LIMITED****STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018**

(All amounts in INR Lakhs )

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>Current assets</b>				
<b>Financial assets</b>				
(i) Cash and cash equivalents	3	0.87	0.53	0.41
(ii) Loans	4	–	0.14	0.14
Current tax assets (net)	5	0.83	1.47	1.47
<b>Total current assets</b>		<b>1.70</b>	<b>2.14</b>	<b>2.02</b>
<b>Total Sssets</b>		<b>1.70</b>	<b>2.14</b>	<b>2.02</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	6	400.00	400.00	400.00
Other equity	7	(1138.22)	(1128.13)	(1080.68)
<b>Total equity</b>		<b>(738.22)</b>	<b>(728.13)</b>	<b>(680.68)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	8	276.39	265.88	219.05
Provisions	9	–	0.64	0.64
<b>Total non-current liabilities</b>		<b>276.39</b>	<b>266.52</b>	<b>219.69</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Other financial liabilities	10	462.84	462.84	462.84
Other current liabilities	11	0.69	0.91	0.17
<b>Total current liabilities</b>		<b>463.53</b>	<b>463.75</b>	<b>463.01</b>
<b>Total liabilities</b>		<b>739.92</b>	<b>730.27</b>	<b>682.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1.70</b>	<b>2.14</b>	<b>2.02</b>
Corporate Information	1			
Summary of significant Accountig Policies	2			

The accompanying notes are an integral part of these Financial Statements.

This is the statement of Balance Sheet referred to in our report of even date.

As per our report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**L. K. Jain**

Director

**S. K. Agarwal**

Director

## KAMARHATTY POWER LIMITED

### STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	Notes	(All amounts in INR Lakhs )	
		31 March 2018	31 March 2017
<b>Expenses</b>			
Other expenses	12	10.08	47.45
<b>Total expenses</b>		<b>10.08</b>	<b>47.45</b>
Profit/(Loss) before tax		<b>(10.08)</b>	<b>(47.45)</b>
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>0.00</b>	<b>0.00</b>
Profit/(Loss) for the year (A)		<b>(10.08)</b>	<b>(47.45)</b>
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax (B)		-	-
<b>Total comprehensive income for the year (A+B)</b>		<b>(10.08)</b>	<b>(47.45)</b>
Earnings per equity share: [Nominal value per share ₹10 (previous year ₹10)]	13		
Basic and Diluted		(0.25)	(1.19)
Corporate Information	1		
Summary of significant Accountig Policies	2		

The accompanying notes are an integral part of these Financial Statements.

This is the statement of Profit and Loss referred to in our report of even date.

As per our report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**L. K. Jain**

Director

**S. K. Agarwal**

Director

**KAMARHATTY POWER LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018**

(All amounts in INR Lakhs )

**A. Share capital**

Description	Notes	Amount
<b>As at 01 April 2016</b>		400.00
Changes in equity share capital		–
<b>As at 31 March 2017</b>		400.00
Changes in equity share capital		–
<b>As at 31 March 2018</b>		400.00

**B. Other equity**

Description	Notes 7	<u>Reserve and Surplus</u> General reserve	Retained earnings	Share premium	Equity instruments through OCI	Total other equity
Balance as at 01 April 2016		(1278.18)		197.50	–	(1080.68)
Profit / (Loss) for the year		(47.45)		–	–	(47.45)
Other Comprehensive income for the year		–		–	–	–
Total comprehensive income for the year		(1325.63)		197.50	–	(1128.13)
Balance as at 31 March 2017		(1325.63)		197.50	–	(1128.13)

Description	Notes 7	<u>Reserve and Surplus</u> General reserve	Retained earnings	Share premium	Equity instruments through OCI	Total other equity
Balance as at 01 April 2017		(1,325.63)		197.50	–	(1,128.13)
Profit / (Loss) for the year	7	(10.09)		–	–	(10.09)
Other Comprehensive income for the year	7	–		–	–	–
Total comprehensive income for the year		(1,335.72)		197.50	–	(1,138.22)
Balance as at 31 March 2018		(1,335.72)		197.50	–	(1,138.22)

The accompanying notes are an integral part of these Financial Statements is the Statement of Changes in Equity referred to in our report of even date.

As per our report of even date  
For **KHANDELWAL RAY & CO.**  
Chartered Accountants,  
Registration No. 302035E  
**SANJAY KHANDELWAL**  
Partner  
Membership No. 054451  
Kolkata, the 9th day of June, 2018

**L. K. Jain**  
Director

**S. K. Agarwal**  
Director

## KAMARHATTY POWER LIMITED

### Cash Flow Statement for the Year ended 31st March, 2018

	(All amounts in INR Lakhs)	
	For the year ended 31st March,2018	For the year ended 31st March,2017
<b>A. Cash Flow from Operating Activities :</b>		
Net (Loss) / Profit before Tax & extraordinary items	(10.08)	(47.45)
Adjustment for:		
Depreciation	—	—
Interest	—	—
Interest income	—	—
<b>Operating Profit before Working Capital changes</b>	<b>(10.08)</b>	<b>(47.45)</b>
Adjustment for:		
Trade & other receivables	0.14	—
Trade payable	(0.22)	0.74
Inventories	—	(0.74)
Cash generated from operations	<b>(10.16)</b>	<b>(46.71)</b>
Income Taxes Paid	—	—
Net Cash generated in Operating Activities	<b>(10.16)</b>	<b>(46.71)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Extinguishment of Fixed Assets	—	—
Interest Received	—	—
Net Cash used in Investing Activities	—	—
<b>C Cash Flow from Financing Activities</b>		
Capital Subsidy received	—	—
Proceeds from other borrowings	10.51	46.83
Increase / (Decrease) in Cash Credit & Term Loan	—	—
Interest paid	—	—
Net Cash (used) / generated used Financing Activities	<b>10.51</b>	<b>46.83</b>
Net Increase / (decrease) in Cash & Cash equivalents	0.35	0.12
Cash & Cash equivalents -Opening balance	0.52	0.40
Cash & Cash equivalents -Closing balance	<b>0.87</b>	<b>0.52</b>

As per our report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**L. K. Jain**  
Director

**S. K. Agarwal**  
Director



## KAMARHATTY POWER LIMITED

### NOTES OF THE FINANCIAL STATEMENT

(All amounts in INR Lakhs )

#### NOTE: 3 CASH AND CASH EQUIVALENTS

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Cash and cash equivalents</b>			
Cash on hand	0.02	0.02	0.01
Balances with banks			
– In current accounts	0.85	0.51	0.40
<b>Total</b>	<b>0.87</b>	<b>0.53</b>	<b>0.41</b>

#### NOTE: 4 LOANS (CURRENT)

Particulars	31 March 2018	31 March 2017	1 April 2016
Security deposits (see note below)	–	0.10	0.10
Loans to bodies corporate (see note below)	–	0.04	0.04
<b>Total</b>	<b>–</b>	<b>0.14</b>	<b>0.14</b>

**Note:** Not being recoverable-written off in 2017-18

#### NOTE: 5 CURRENT TAX ASSETS (NET)

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for taxation (see note below)	0.83	1.47	1.47
<b>Total</b>	<b>0.83</b>	<b>1.47</b>	<b>1.47</b>

**Note:** Adjustment of provision of Tax of Rs. 0.64 lakhs made in 2017-18

#### NOTE: 6 EQUITY SHARE CAPITAL

##### A) Authorised share capital

Particulars	Number of shares	Amount
<b>As at 1 April 2016 (see note below)</b>	4,000,000	400.00
Changes during the year	–	–
<b>As at 31 March 2017</b>	4,000,000	400.00
Changes during the year	–	–
<b>As at 31 March 2018</b>	4,000,000	400.00

**Note:** 4000000 No. Equity shares of Rs. 10/- each

##### B) Issued, subscribed and fully paid-up shares

Particulars	Number of shares	Amount
<b>As at 1 April 2016 (see note below)</b>	4,000,000	400.00
Changes during the year	–	–
<b>As at 31 March 2017</b>	4,000,000	400.00
Changes during the year	–	–
<b>As at 31 March 2018</b>	4,000,000	400.00

**Note:** 4000000 Equity shares of Rs. 10 each fully paid up

**KAMARHATTY POWER LIMITED**  
**NOTES OF THE FINANCIAL STATEMENT**

**C) Details of the shareholders holding more than 5% of equity shares of the Company**

Name of the shareholder of Equity shares	31 March 2018		31 March 2017		1 April 2016	
	No of share hold	% of holding	No of share hold	% of holding	No of share hold	% of holding
1) KAMARHATTY COMPANY LTD	2,520,750	63	2,520,750	63	2,520,750	63
2) TREND VYAPAR LTD	1,359,750	34	1,359,750	34	1,359,750	34

**D) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

(All amounts in INR Lakhs )

**NOTE: 7 OTHER EQUITY**

**A. Reserve and Surplus**

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) General reserve	–	–	–
(ii) Retained earnings	(1,335.72)	(1,325.63)	(1,278.18)
(iii) Share premium	197.50	197.50	197.50
<b>Total reserves and surplus</b>	<b>(1,138.22)</b>	<b>(1,128.13)</b>	<b>(1,080.68)</b>

Particulars

**(i) General reserve**

Balance at the beginning of the year	–	–	–
Less: Issue of bonus shares	–	–	–
Transferred from retained earnings	–	–	–
<b>Balance at the end of the year</b>	<b>–</b>	<b>–</b>	<b>–</b>

**(ii) Retained earnings**

Balance as at the beginning of the year	(1,325.63)	(1,278.18)	(2,045.66)
Profit/ (Loss) for the year	(10.08)	(47.45)	767.47
<b>Balance at the end of the year</b>	<b>(1,335.72)</b>	<b>(1,325.63)</b>	<b>(1,278.18)</b>

**(ii) Share Premium**

Balance as at the beginning of the year	197.50	197.50	197.50
Transaction during the year	–	–	–
<b>Balance at the end of the year</b>	<b>197.50</b>	<b>197.50</b>	<b>197.50</b>

Items of other comprehensive income recognised directly in retained earnings

	–	–	–
<b>Balance at the end of the year</b>	<b>(1,138.22)</b>	<b>(1,128.13)</b>	<b>(1,080.68)</b>

## KAMARHATTY POWER LIMITED

### NOTES OF THE FINANCIAL STATEMENT

(All amounts in INR Lakhs )

#### B. Other reserves - Equity instruments through Other comprehensive income

Particulars	31 March 2018	31 March 20 17	1 April 2016
Balance at the beginning of the year	-	-	-
Balance at the end of the year	-	-	-
<b>Total Equity (A+B)</b>	<b>(1,138.22)</b>	<b>(1,128.13)</b>	<b>(1,080.68)</b>

#### NOTE: 8 BORROWINGS (NON-CURRENT)

Particulars

##### Unsecured

From Holding company	90.03	79.52	32.69
From related party	186.36	186.36	186.36
<b>Total</b>	<b>276.39</b>	<b>265.88</b>	<b>219.05</b>

#### NOTE: 9 PROVISIONS (NON-CURRENT)

Particulars

Provision for taxation (see note bellow)	-	0.64	0.64
<b>Total</b>	<b>-</b>	<b>0.64</b>	<b>0.64</b>

**Note:** Adjusted against advance tax in 2017-18

#### NOTE: 10 OTHER FINANCIAL LIABILITIES - CURRENT

Particulars

Other payables (refer note below)	462.84	462.84	462.84
<b>Total</b>	<b>462.84</b>	<b>462.84</b>	<b>462.84</b>

**Note:** Other financial liabilities -current includes  
Rs. 300 Lakhs -to WBSEDCL and Rs. 162.84 Lakhs to WBIDC

#### NOTE: 11 OTHER CURRENT LIABILITIES

Particulars

##### Advances received from customers

Statutory dues	0.58	0.28	0.00
Other payables	0.12	0.63	0.17
<b>Total</b>	<b>0.69</b>	<b>0.91</b>	<b>0.17</b>

**KAMARHATTY POWER LIMITED**  
**NOTES OF THE FINANCIAL STATEMENT**

(All amounts in INR Lakhs )

**Note: 12 Other expenses**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>
Rates and taxes	0.00	0.02
Filing charges	0.12	0.27
Bank charges	0.00	0.00
Travelling & conveyance	0.57	0.00
Printing & Stationery	0.00	0.00
Directors fees	0.23	0.17
Professional fees	5.91	45.35
Conference Charges	0.00	0.77
Sundry balance written off	0.14	0.00
Miscellaneous expenses [Refer note (a) below]	3.12	0.87
<b>Total</b>	<b>10.09</b>	<b>47.45</b>

**(a) Miscellaneous expenses includes remuneration to auditors for:**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>
Audit Fees	0.12	0.12
<b>Total</b>	<b>0.12</b>	<b>0.12</b>

**RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS**

**A. RECONCILIATION OF TOTAL EQUITY AS AT 31 MARCH 2017 AND 1 APRIL 2016**

Particulars	<u>Note No</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Total equity (shareholder's funds) as per previous GAAP	14	(728.13)	(680.68)
Adjustments		-	-
<b>TOTAL EQUITY AS PER IND AS</b>		<b>(728.13)</b>	<b>(680.68)</b>

## KAMARHATTY POWER LIMITED

### B. RECONCILIATION OF BALANCE SHEET AS AT 31ST MARCH, 2016

Sl.No	Particulars	Note No 14	Previous GAAP	Ind AS adjustments	Ind AS
(All amounts in INR Lakhs )					
<b>A. ASSETS</b>					
<b>1 Current assets</b>					
(a) Financial Assets					
	(i) Cash and cash equivalents		0.41	-	0.41
	(ii) Loans		0.14	-	0.14
	(iii) Others		-	-	-
			-	-	-
	(b) Current Tax Assets (Net)		1.47	-	1.47
	(c) Other current assets		-	-	-
	<b>Total Current Assets</b>		<b>2.02</b>	<b>-</b>	<b>2.02</b>
	<b>TOTAL ASSETS</b>		<b>2.02</b>	<b>-</b>	<b>2.02</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>I Equity</b>					
	(a) Equity Share capital		400.00	-	400.00
	(b) Other Equity		(1,080.68)	-	(1,080.68)
	<b>TOTAL EQUITY</b>		<b>(680.68)</b>	<b>-</b>	<b>(680.68)</b>
<b>II LIABILITIES</b>					
<b>1 Non-current liabilities</b>					
(a) Financial Liabilities					
	(i) Borrowings		219.05	-	219.05
	(b) Provisions		0.64	-	0.64
<b>2 Current liabilities</b>					
(a) Financial Liabilities					
	(i) Other financial liabilities		462.84	-	462.84
	(b) Other current liabilities		0.17	-	0.17
	<b>TOTAL LIABILITIES</b>		<b>682.70</b>	<b>-</b>	<b>682.70</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2.02</b>	<b>-</b>	<b>2.02</b>

The Significant Accounting Policies and Notes referred to above form an Integral Part of the Financial Statements.

As per our report of even date  
For **KHANDELWAL RAY & CO.**  
*Chartered Accountants,*  
Registration No. 302035E  
**SANJAY KHANDELWAL**  
*Partner*  
Membership No. 054451  
Kolkata, the 9th day of June, 2018

**L. K. Jain**  
*Director*

**S. K. Agarwal**  
*Director*

## KAMARHATTY POWER LIMITED

### C. RECONCILIATION OF BALANCE SHEET AS AT 31ST MARCH, 2017

Sl.No	Particulars	Note No 14	(All amounts in INR Lakhs )		
			Previous GAAP	Ind AS adjustments	Ind AS
<b>A. ASSETS</b>					
<b>1 Current assets</b>					
(a) Financial Assets					
	(i) Cash and cash equivalents		0.53	-	0.53
	(ii) Loans		0.14	-	0.14
	(iii) Others		-	-	-
	(b) Current Tax Assets (Net)		1.47	-	1.47
	(c) Other current assets		-	-	-
	<b>TOTAL CURRENT ASSETS</b>		<b>2.14</b>	<b>-</b>	<b>2.14</b>
	<b>TOTAL ASSETS</b>		<b>2.14</b>	<b>-</b>	<b>2.14</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>I Equity</b>					
	(a) Equity Share capital		400.00	-	400.00
	(b) Other Equity		(1,128.13)	-	(1,128.13)
	<b>Total Equity</b>		<b>(728.13)</b>	<b>-</b>	<b>(728.13)</b>
<b>II LIABILITIES</b>					
<b>1 Non-current liabilities</b>					
(a) Financial Liabilities					
	(i) Borrowings		265.88	-	265.88
	(b) Provisions		0.64	-	0.64
<b>2 Current liabilities</b>					
(a) Financial Liabilities					
	(i) Other financial liabilities		462.84	-	462.84
	(b) Other current liabilities		0.91	-	0.91
	<b>TOTAL LIABILITIES</b>		<b>730.27</b>	<b>-</b>	<b>730.27</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2.14</b>	<b>-</b>	<b>2.14</b>

The Significant Accounting Policies and Notes referred to above form an Integral Part of the Financial Statements.

As per our report of even date

For **KHANDELWAL RAY & CO.**

*Chartered Accountants,*

Registration No. 302035E

**SANJAY KHANDELWAL**

*Partner*

Membership No. 054451

Kolkata, the 9th day of June, 2018

**L. K. Jain**

*Director*

**S. K. Agarwal**

*Director*

## KAMARHATTY POWER LIMITED

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

(All amounts in INR Lakhs )

Sl.No	Particulars	Note No 14	Previous GAAP	Ind AS adjustments	Ind AS
<b>I. Expenses:</b>					
	Other Expenses		47.45	-	47.45
	Total Expenses		47.45	-	47.45
II.	Profit/(Loss) before exceptional and tax		(47.45)	-	(47.45)
III.	Exceptional Items		-	-	-
IV.	Profit / (Loss) before tax		(47.45)	-	(47.45)
V.	Tax Expenses:				
	i) Current Tax		-	-	-
	ii) Deferred Tax		-	-	-
VI.	Profit / ( Loss ) for the period from continuing operations		<u>(47.45)</u>	<u>-</u>	<u>(47.45)</u>
VII.	Other Comprehensive Income				
	A. i) Items that will not be reclassified to profit or loss		-	-	-
	ii) Income Tax relating to items that will not be reclassified to profit or loss				
	B. i) Items that will be reclassified to profit or loss		-	-	-
	ii) Income Tax relating to items that will be reclassified to profit or loss				
VIII.	Total Comprehensive Income for the period		-	-	-

The Significant Accounting Policies and Notes referred to above form an Integral Part of the Financial Statements.

As per our report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**L. K. Jain**  
Director

**S. K. Agarwal**  
Director

## **KAMARHATTY POWER LIMITED**

**SCHEDULED FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2018**

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### **NOTE: 1 CORPORATE INFORMATION**

The Company is a Public Company within the meaning of Companies Act, 2013. The Company's manufacturing unit was located at Raina, Block – I, Burdwan District, West Bengal & its registered office is at 16A, Brabourne Road, 8th Floor, Kolkata- 700001.

The Company had commissioned its 6 MW Biomass Based Power Plant to generate power in 2008 which was compelled to shut down since 2011 due to non recovery of cost for non fixation of supportive tariff rate with WBSEDCL to whom the entire power was sold.

#### **2.1 Basis of Preparation**

##### **(i) Compliance with Ind AS**

These standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The standalone financial statements up to year ended 31 March, 2017 were prepared in accordance with generally accepted accounting principles in India (Previous GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") as applicable.

These financial statements for the year ended 31st March, 2018 are the first Ind AS compliant financial statements with comparatives prepared under the Ind AS . The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 through all periods presented , as if these policies had always been in effect and are covered by Ind AS 101 "First time adoption of Indian Accounting Standards".

Refer note 14 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### **ii) Classification of current and non-current**

All asset and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

##### **(iii) Historical cost convention**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention.

##### **iv) Functional and Presentation Currency**

The financial statements have been presented in Indian Rupees, which is also the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### **2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the



## KAMARHATTY POWER LIMITED

### SCHEDULED FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2018

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carrying amounts of assets and liabilities in future periods.

#### 2.3 SIGNIFICANT ACCOUNTING POLICIES

To prepare financial statements in accordance with applicable Accounting Standards in India, a summary of important accounting policies is set out below.

##### **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention and on the principle of going concern.

##### **Fixed Assets**

The Fixed Assets of the company have been fully adjusted with the outstanding term loan and interest provided thereon. Therefore no fixed assets are appearing in the books of accounts.

##### **Depreciation**

Depreciation has not been charged due to adjustment of the total fixed assets with the outstanding term loan.

#### 2.4 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1st April'2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of all the Intangible assets.

#### 2.5 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased /increased.

An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

#### 2.6 Financial Assets

The financial assets are classified in the following categories:

- a) financial assets measured at amortised cost,
- b) financial assets measured at fair value through profit and loss (FVTPL), and

## **KAMARHATTY POWER LIMITED**

**SCHEDULED FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2018**

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- c) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for arranging financial assets.

### **2.7 Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

### **2.8 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### **2.9 Provisions and Contingent Liabilities**

#### **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent Liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probable, hence not provided for. Contingent assets are not recognised though are disclosed, where an inflow of economics benefit is probable.

## KAMARHATTY POWER LIMITED

### SCHEDULED FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2018

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#### 2.10 Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### 2.11 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, and balance with bank in current account.

#### 2.12 Related Party Disclosures

It is required by Ind AS-24, "Related Party Disclosure" are given bellow

a) Key management Personal:

Shri S.K.Agarwal- Managing Director

b) Name of the related Parties:

- 1) Shri S.K.Agarwal
- 2) Kamarhatty Company Limited (Holding company)
- 3) Trend Vyapar Limited

#### Related party transaction:

1. Loan taken from Holding Company ( Kamarhatty Company Ltd) is Rs. 10.50 lakhs (net) during the financial year 2017-18 and the total outstanding loan from the holding company as on 31.03.2018 is Rs. 90.02 Lakhs shown in the financial statement.
2. Loan outstanding in the name of Trend Vyapar Limited shown as on 31.03.2018 in the financial statement is Rs. 186.36 Lakhs which has been brought forward from the previous years and transaction during the financial year 2017-18 is nil.

Relatives of Key Managerial Personnel: Shri H.K.Agarwal, Shri D.K.Agarwal, Smt S.D.Agarwal, Smt Kalpana Agarwal, Sri S.K.Agarwal(HUF),Sri B.P.Agarwal (HUF), Smt Sweta Agarwal, Smt Saraita Agarwal. Smt Priti Agarwal, Sri Rajendra Kumar Bansal,Sri Jagadish Prasad Bansal, Smt Hema Bansal.

2.13 The Power Plant of the Company has stopped its operation in 2011 and the possession of Fixed Assets including Current Assets at generating Plant has been taken over by WBIDC in the year 2012 for non-payment of loan and interest thereon. In the year ending March'16 the Company has adjusted all its Fixed Assets and Current Assets which were taken over by WBIDC with their unpaid loan amount including interest thereon.

After all the above adjustment to the resulting outstanding loan account with WBIDC amounting Rs. 162.84 lakhs has been shown under other current financial liabilities in the financial statement.

2.14 The Company filed a writ petition to the Division Bench of the Hon'ble High Court at Calcutta for obtaining the differential rate of tariff and damages from WBSEDCL for which the Company is eligible. In September 2014, the Hon'ble High Court at Calcutta has ordered WBSEDCL for making payment of the arrear dues and damages to the Company. The WBSEDCL subsequently made a special leave petition in the Hon'ble Supreme Court of India against the order of Hon'ble High Court. By Order dated 23.03.2015 passed by the Hon'ble Supreme Court of India in connection with the petition for special leave appeal (C) CC 4437-4438/2015 had uphold the decision of the Hon'ble High Court at Calcutta and directed WBSEDCL to pay the arrear which are due to the Company within six weeks. The Company has received from WBSEDCL

## KAMARHATTY POWER LIMITED

### SCHEDULED FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2018

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a sum of Rs.788 lakhs and Rs.29.97 lakhs during the year 2015-2016 as arrear dues on account of unsettled tariff for sale of electricity to WBSEDCL.

2.15 The Company has also received Rs. 300 lakhs in the Year 2015-16 from WBSEDCL by virtue of the said order as part payment of delayed payment surcharge and as such the same has been kept in current liability in the financial statement.

2.16 The aggregated amount of the refund of Rs.1118.01 lakhs received from WBSEDCL by the Company by virtue of Court Orders as above has been repaid to Kamarhatty Company Limited (the Holding Company) to adjust against the loan received from it and after repayment the outstanding loan from the holding company as on 31.03.2018 is Rs. 90.02 Lakhs shown in the financial statement of the Company.

2.17 The Company has also filed a suit for recovery of the outstanding balance of eligible dues including interest thereon from WBSEDCL to whom the entire power was sold. It is very likely that the Company would succeed to recover the rest of the amount from WBSEDCL.

2.18 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.18.

2.20 Previous year figures have been re-arranged and / or regrouped wherever considered necessary.

13. Earning Per Share(EPS)	<b>Year ended 31.03.2018 Rs.</b>	Period ended 31.03.2017 Rs.
(a) Profit/(Loss) after Tax	<b>(1008298)</b>	(47,44,865)
(b) Basic & weighted average number of equity shares during the year (Nos.)	<b>40,00,000</b>	40,00,000
(c) Nominal Value of equity share	<b>10</b>	10
(d) Basic & diluted EPS	<b>(0.25)</b>	(1.19)

### FIRST TIME ADOPTION OF IND AS:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Mandatory Exceptions from retrospective application:

The Company has availed the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

B. Transition to Ind AS – Reconciliations:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- a) Reconciliation of Balance Sheet as at 1st April, 2016 (Transition date) and as at 31st March, 2017.
- b) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- c) Reconciliation of Statement of Cash Flows for the year ended 31st March, 2017
- d) Reconciliation of Total Equity as at 1st April, 2016 and 31st March, 2017



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**CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

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**INDEPENDENT AUDITORS' REPORT**

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**To The Members of  
The Kamarhatty Company Limited**

**Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Consolidated Ind AS financial statements of Kamarhatty Company Limited ("the holding Company"), and its subsidiary, Kamarhatty Power Ltd. (collectively referred to as the Group) which comprise the Consolidated Balance Sheet as at March 31, 2018 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information which we have signed under reference to this report. According to information & explanation given to us there was no material other Comprehensive Income of the Company during the year under Report.

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

2. The holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. In conducting our Audit, we have taken into account the provisions of the Act and the Rules made there under including 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 thereunder.
5. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as

## KAMARHATTY COMPANY LIMITED

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evaluating the overall presentation of the consolidated Ind AS financial statements.

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

### Emphasis of Matter

8. Statutory dues in respect of Employees State Insurance is in the process of the reconciliation with records of the authority. Pending reconciliation the final amount payable against these dues is not ascertainable.

Our opinion is not qualified in respect of these matters.

### Basis of Qualification

- (1) Liability on account of gratuity and leave encashment payable to employees on retirement as on 31st March, 2018 has neither been provided in the accounts nor ascertained. This is not in compliance with Ind AS-19.
- (2) The Company has investment of Rs. 378.11 lacs and balance in outstanding loan advanced Rs. 90.02 lakh as on Balance sheet with its subsidiary Company generating biomass electricity in the plant at Burdwan. This outstanding is after the refund of Rs.1118.01 lakh received from the subsidiary upto date. The plant has stopped its operation and the possession of Fixed assets including Current Assets at generating plant of the subsidiary company has been taken over by the WBIDC in the year 2012, for non payment of loan and interest thereon. As certain amount is still recoverable from WBSEDCL, it is not ascertainable at this stage as to how much loan and investment are likely to be realised ultimately and due to which no impairment has been considered.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements except stated above in the basis of qualification give the information required by the Act in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at March 31, 2018, its consolidated profit and its consolidated cash flows for the year ended on that date.

### Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed a qualified opinion vide reports dated May 27, 2017 and May 30 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.

## KAMARHATTY COMPANY LIMITED

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- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 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 controls over financial reporting of the Holding Company, its subsidiary Company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Group Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its consolidated Ind AS financial statements – Refer Note 29.
  - ii. The Group Company has made neither long term contracts nor any derivative contracts as at March 31, 2018.
  - 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 March 31, 2018.

64/55 B, Belgachia Road  
Kolkata - 700 037  
Dated : The 9th day of June, 2018

For **Khandelwal Ray & Co.**  
*Chartered Accountants*  
Registration No. 302035E  
**Sanjay Khandelwal**  
*Partner*  
Membership No. 054451

**KAMARHATTY COMPANY LIMITED**  
**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

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**Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Kamarhatty Company Limited on the consolidated financial statements for the year ended March 31, 2018**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Kamarhatty Company Limited (" hereinafter referred to as the Holding Company") and its subsidiary incorporated in India as of March 31, 2018 .

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

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

**Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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

## KAMARHATTY COMPANY LIMITED

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

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

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

### **Opinion**

8. In our opinion, the Holding Company and its Subsidiary Company, which are incorporated in India, have, 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 Accountants of India.

64/55 B, Belgachia Road  
Kolkata - 700 037  
Dated : The 9th day of June, 2018

For **Khandelwal Ray & Co.**  
*Chartered Accountants*  
Registration No. 302035E  
**Sanjay Khandelwal**  
*Partner*  
Membership No. 054451

**KAMARHATTY COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018**

(All amounts in INR Lakhs )

Particulars	Notes	31 March 2018	31 March 2017	1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3(a)	3,961.10	3,901.37	3,807.70
Capital work in progress	3(b)	1,125.84	880.54	139.21
Other intangible assets	4	2.54	3.18	2.17
<b>Financial assets</b>				
(i) Investments	5	2.87	2.87	2.87
Other non-current assets	6	26.84	14.87	97.56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,119.19</b>	<b>4,802.82</b>	<b>4,049.50</b>
Non-Controlling Interest		274.58	270.85	253.28
<b>Current assets</b>				
Inventories	7	5,070.96	4,055.70	3,243.60
<b>Financial assets</b>				
(i) Trade receivables	8(a)	1,771.60	1,470.90	1,500.80
(ii) Cash and cash equivalents	8(b)	29.36	27.48	51.43
(iii) Bank balances other than (ii) above	8(C)	141.94	100.94	151.52
(iv) Other financial assets	8(d)	7.13	5.64	8.11
Current tax assets	9	599.51	534.06	503.88
Other Current assets	10	295.97	388.27	498.53
<b>Total Current assets</b>		<b>7,916.47</b>	<b>6,582.98</b>	<b>5,957.87</b>
<b>TOTAL ASSETS</b>		<b>13,310.24</b>	<b>11,656.65</b>	<b>10,260.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	561.70	561.70	561.70
Other equity	12	2,358.22	2,230.40	1,906.90
<b>TOTAL EQUITY</b>		<b>2,919.92</b>	<b>2,792.10</b>	<b>2,468.60</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	13(a)	2,391.05	2,136.54	1,365.75
(ii) Other financial liabilities	13(b)	179.83	166.18	169.50
Deferred tax liabilities (net)	14	11.65	11.65	9.30
Other non-current liabilities		—	—	—
<b>Total non-current liabilities</b>		<b>2,582.53</b>	<b>2,314.37</b>	<b>1,544.56</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	15(a)	892.31	789.99	483.98
(ii) Trade payables	15(b)	4,094.23	3,302.49	3,583.18
(iii) Other financial liabilities	15(c)	1,214.36	1,123.86	1,153.29
Other current liabilities	16	1,049.51	833.43	605.92
Provisions	17	—	27.70	23.43
Current tax liabilities	18	557.38	472.71	397.69
<b>Total current liabilities</b>		<b>7,807.79</b>	<b>6,550.18</b>	<b>6,247.49</b>
<b>Total liabilities</b>		<b>10,390.32</b>	<b>8,864.56</b>	<b>7,792.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,310.24</b>	<b>11,656.65</b>	<b>10,260.65</b>
Corporate Information	1			
Summary of significant Accounting Policies	2			

The accompanying notes are an integral part of these Financial Statements.

This is the statement of Consolidated Balance Sheet referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,  
Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

## KAMARHATTY COMPANY LIMITED

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH'2018

Particulars	Notes	(All amounts in INR Lakhs )	
		31 March 2018	31 March 2017
<b>I. INCOME</b>			
Revenue from operations	19	16,340.64	17,859.54
Other Operating Income	19	167.86	131.13
Other Income	20	378.48	454.15
<b>Total Revenue</b>		<b>16,886.98</b>	<b>18,444.82</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	21	9,607.59	10,479.73
Purchase of Traded Goods - finished & semi-finished goods		328.69	633.18
Change in inventories of finished goods and stock in process	22	(713.43)	(302.86)
Employee benefit expenses	23	3,867.54	3,725.41
Finance Cost	24	338.71	322.77
Depreciation and amortisation expense	25	373.14	329.85
Other expenses	26	2,810.10	2,949.70
<b>Total Expenses</b>		<b>16,612.34</b>	<b>18,137.79</b>
<b>III. PROFIT BEFORE TAX</b>		<b>274.64</b>	<b>307.03</b>
<b>LESS:</b>			
<b>IV Tax Expenses:</b>	27		
- Current tax Expenses		62.04	72.29
- Minimum Alternate Tax availed / (Credit entitlement)		26.87	(52.50)
- Deferred Tax Liability		-	2.35
<b>TOTAL TAX EXPENSE</b>		<b>88.91</b>	<b>22.14</b>
<b>V Profit for the year before Non Controlling Interest</b>		<b>185.73</b>	<b>284.89</b>
Add: Share of Loss attributable to non-controlling interest		3.73	17.56
<b>Profit after tax after non-controlling interest (A)</b>		<b>189.46</b>	<b>302.45</b>
<b>VI OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		<b>-</b>	<b>-</b>
<b>VII TOTAL Comprehensive Income for the year (A)+(B)</b>		<b>189.46</b>	<b>302.45</b>
<b>VIII Earnings Per Equity Share</b>			
(nominal value of share Rs.10/- each)			
Basic and Diluted	28	3.37	5.38

The accompanying notes are an integral part of these Financial Statements.

This is the consolidated statement of Profit and Loss Account referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,  
Registration No. 302035E

**SANJAY KHANDELWAL**  
Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

## KAMARHATTY COMPANY LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts in INR Lakhs )

#### A. Share capital

Description	Notes	Amount
<b>As at 01 April 2016</b>		561.70
Changes in equity share capital	11	
<b>As at 31 March 2017</b>		561.70
Changes in equity share capital	11	
<b>As at 31 March 2018</b>		561.70

#### B. Other equity

(All amounts in INR Lakhs )

Description	Notes 12	Reserve and Surplus			Capital Redemption Reserve	Equity instruments through OCI	Total other equity
		Retained earnings	Capital reserve	Security premium			
<b>Balance as at 01 April 2016</b>		1,386.73	276.17	204.00	40.00	-	1,906.90
Profit for the year		302.45	-	-	-	-	302.45
Add: Addition during the year			62.17				62.17
Less: Released to the Consolidated Statement of Profit & Loss account			(41.13)				(41.13)
Other Comprehensive income for the year		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		302.45	21.04	-	-	-	323.50
<b>Balance as at 31 March 2017</b>		1,689.18	297.21	204.00	40.00	-	2,230.40

Description	Notes 12	Reserve and Surplus			Capital Redemption Reserve	Equity instruments through OCI	Total other equity
		Retained earnings	Capital reserve	Security premium			
<b>Balance as at 01 April 2017</b>		1,689.18	297.21	204.00	40.00	-	2,230.40
Profit for the year		189.46	-	-	-	-	189.46
Adjustment for prior period provision for taxation		(25.64)					(25.64)
Less: Released to the Consolidated Statement of Profit and loss account			(35.99)				(35.99)
Other Comprehensive income for the year		-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		163.82	(35.99)	-	-	-	127.83
<b>Balance as at 31 March 2018</b>		1,853.00	261.22	204.00	40.00	-	2,358.22

The accompanying notes are an integral part of these Financial Statements.

Is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS



## KAMARHATTY COMPANY LIMITED

### Consolidated Cash Flow Statement for the Year ended 31st March,2018 as per the Listing Agreement

(All amounts in INR Lakhs)

	For the year ended 31st March,2018	For the year ended 31st March,2017
<b>A. Cash Flow from Operating Activities :</b>		
c Net (Loss) / Profit before Tax & extraordinary items	278.37	307.03
Adjustment for:		
Depreciation and amortisation expenses	373.14	329.85
Finance cost	338.71	322.77
Interest income	(13.01)	(10.52)
Debts Written Off	13.41	13.74
Profit on Sale of Property , Plant & Equipment (net)	<u>(28.65)</u>	<u>(25.22)</u>
Operating Profit before Working Capital changes	<b>961.97</b>	937.66
Adjustment for:		
c Trade & other receivables	(259.44)	220.79
Trade payable , Other Current Liabilities and Provisions	1,021.20	(49.40)
Increase in Other Financial Liabilities	91.02	128.50
Inventories	<u>(1,042.97)</u>	<u>(807.82)</u>
Cash generated from operations	<b>771.77</b>	429.72
Direct Taxes Paid	<u>(75.13)</u>	<u>(30.99)</u>
Net Cash generated from Operating Activities	<b>696.64</b>	398.74
<b>B. Cash Flow from Investing Activities :</b>		
Changes in Capital Work in progress	(245.30)	(840.83)
Purchase of Porperty,Plant & Equipment	(469.33)	(369.39)
Sale of Property , Plant and Equipment (net)	29.75	28.45
Interest Received	<u>13.01</u>	<u>10.52</u>
Net Cash used in Investing Activities	<b>(671.87)</b>	(1,171.25)
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Non-Current Borrowings	254.51	814.29
(Repayment of) / Proceeds from Current Borrowings	102.31	144.29
Interest paid	(338.71)	(322.77)
Capital Subsidy received	<u>—</u>	<u>62.17</u>
Net Cash (used) / generated from Financing Activities	<b>18.11</b>	697.98
Net Increase / (decrease) in Cash & Cash equivalents	<u>42.88</u>	<u>(74.53)</u>
c Cash & Cash equivalents -Opening balance	<u>128.42</u>	<u>202.95</u>
Cash & Cash equivalents -Closing balance	<b>171.30</b>	128.42

The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes are an integral part of these Financial Statements.

This is the Cash Flow Statement referred to in our report of even date.

For **KHANDELWAL RAY & CO.**

Chartered Accountants,

Registration No. 302035E

**SANJAY KHANDELWAL**

Partner

Membership No. 054451

Kolkata, the 9th day of June, 2018

**S.K. AGARWAL**  
Managing Director

**H. NAHATA**  
Wholetime Director

**P. RAKSHIT**  
CFO

**A. LAKHOTIA**  
CS

# KAMARHATTY COMPANY LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### **Note: 1 Corporate Information**

The Kamarhatty Company Ltd (“the Holding Company or the Parent Company”) is a Public Company within the meaning of Companies Act, 2013. The equity shares of the Company are listed at Calcutta Stock exchange Ltd. The Company’s manufacturing facilities are located at 1, Graham Road and its registered office at 16A, Brabourne Road, 8th Floor Kolkata- 700001.

The Parent Company is a leading manufacturer of Jute and Jute allied products & Kraft Paper. The Holding Company also exports Jute goods to various countries spread over the World.

### **Note : 2**

#### **2.1 Basis of Preparation**

##### **(i) Compliance with Ind AS**

These Consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

The Consolidated financial statements up to year ended 31 March, 2017 were prepared in accordance with generally accepted accounting principles in India (Previous GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 Act”) as applicable.

These Consolidated financial statements for the year ended 31st March, 2018 are the first Ind AS compliant Consolidated financial statements with comparatives prepared under the Ind AS . The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Consolidated Balance Sheet as at 1st April, 2016 through all periods presented , as if these policies had always been in effect and are covered by Ind AS 101 “First time adoption of Indian Accounting Standards”.

Refer note 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

##### **ii) Classification of current and non-current**

All asset and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Ind AS 1 - Presentation of Consolidated Financial Statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

##### **(iii) Historical cost convention**

These Consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention.

##### **iv) Functional and Presentation Currency**

The Consolidated financial statements have been presented in Indian Rupees, which is also the Company’s functional currency. All financial information presented in Rupees has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### **2.2 Use of estimates**

The preparation of Consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 2.3 Property, Plant and equipment and Depreciation

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- b) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.
- c) Depreciation is provided on Straight line method over the estimated useful lives of the assets. Pursuant to Notification of Schedule II of the Companies Act, 2013 becoming effective, the Company has adopted the useful lives as per the lives specified for the respective fixed assets in the Schedule II of the Companies Act, 2013. No depreciation is provided on Freehold Land.
- d) Gains and losses on disposal of Property, plant and equipments recognized in the Consolidated statement of profit and loss.
- e) An impairment loss is recognized where applicable when the carrying amount of property, plant and equipment exceeds its recoverable amount.

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of all the Property, plant and equipment.

##### 2.4 Intangible assets and amortization

- a) Intangible assets are stated at cost of acquisition including duties, taxes and expenses incidental to acquisition and installation, net of accumulated depreciation. Recognition of costs as an asset is ceased when the asset is complete and available for its intended use.
- b) Intangible assets comprising of computer software is depreciated on straight line method over a period of five years.
- c) Gains and Losses on disposal of Intangible assets is recognized in the Statement of Profit and Loss.

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of all the Intangible assets.

##### 2.5 Impairment of assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (property, plant and equipment) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount.

## **KAMARHATTY COMPANY LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased / increased.

An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount. Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

#### **2.6 Financial assets**

The financial assets are classified in the following categories:

- a) financial assets measured at amortised cost,
- b) financial assets measured at fair value through profit and loss (FVTPL), and
- c) financial assets measured at fair value through other comprehensive income (FVOCI).

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Profit or Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for arranging financial assets.

#### **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment, if any.

#### **Financial instruments measured at FVTPL**

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

#### **Financial assets at FVOCI**

Financial assets are measured at FVOCI if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

#### **Equity instruments**

The Company measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and accordingly there is no subsequent reclassification of fair value gains and losses to profit or loss.

#### **De-recognition of financial asset**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109 : Financial Instruments.

#### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Only for Trade receivables, the simplified approach of lifetime expected credit losses is recognised from initial recognition of the receivables as required by Ind AS 109: Financial Instruments.

Impairment loss allowance recognised /reversed during the year is charged/written back to Statement of Profit and Loss.

#### **2.7 Financial Liabilities**

**Financial liabilities are measured at amortised cost using the effective interest method.**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

For Trade and Other Payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

#### **2.8 Subsidy / Government Grant**

Subsidy/ Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in Capital Reserves as deferred reserves and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

#### **2.9 Inventories**

Raw materials, Stores and Spares parts and components are valued at cost (cost being determined on weighted average basis) or at net realizable value whichever is lower. Stock-in-process are valued at raw materials cost plus labour and overheads apportioned on an estimated basis depending upon the stages of completion or at net realizable value whichever is lower. Finished goods are valued at cost or at net realizable

## **KAMARHATTY COMPANY LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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value whichever is lower. Cost includes all direct cost and applicable manufacturing and administrative overheads. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

#### **2.10 Employee Benefit**

- i) The accrued liability on account of gratuity payable to the employees as on 31st March 2018 is neither ascertained nor provided for in accounts. Also liability in respect of employees who have retired till 31.03.2018, is neither ascertained nor provided in the accounts. The same is accounted for as and when paid.
- ii) Liability in respect of leave encashment payable to the employee has not been ascertained and provided for in the accounts.

#### **2.11 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

The Company recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **2.12 Foreign Currency Transaction**

##### **(i) Initial Recognition**

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

##### **(ii) Subsequent Recognition**

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

Gains/losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

Gains or Losses in respect of liabilities incurred for acquisition of fixed assets are adjusted in the carrying cost of such assets.

#### **2.13 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### **2.14 Borrowing Cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

#### 2.15 Provisions and Contingent Liabilities

##### f) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent Liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probable, hence not provided for. Contingent assets are not recognised though are disclosed, where an inflow of economics benefit is probable .

#### 2.16 Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### 2.17 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, and balance with bank in current account.

#### 2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 2.19 Standards issued but not yet effective

##### Ind AS 115: Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115. The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NON-CURRENT ASSETS**  
**NOTE 3(a) Property, Plant and equipment**

(All amounts in INR lakhs)

PARTICULARS	GROSS Carrying amount						ACCUMULATED DEPRECIATION			IMPAIRMENT	CARRYING AMOUNT	
	As on 01.04.2017	Addition during the Year	Sales/ Disposal during the Year	As on 31.03.18	As on 01.04.2017	For the Year	Adj. for Disposals	As on 31.03.18	NET	As on 31.03.18	As on 31.3.2017	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	
Land (Free hold)	164.52	-	-	164.52	-	-	-	-	-	164.52	164.52	
Building	1,060.50	22.74	-	1,083.24	406.98	15.50	422.49	422.49	-	660.75	653.51	
Plant & Machinery	5,449.76	416.05	22.47	5,843.34	2,747.84	319.45	21.37	3,045.92	-	2,797.43	2,701.92	
Co-generation	304.38	-	-	304.38	215.65	27.94	243.59	243.59	-	60.79	88.73	
Computer	55.90	2.13	-	58.03	44.75	5.14	49.89	49.89	-	8.14	11.16	
Electric Installation	342.92	22.31	-	365.23	174.63	19.84	194.47	194.47	-	170.76	168.29	
Tubewell & Water Supply	15.39	-	-	15.39	7.65	-	7.65	7.65	-	7.74	7.74	
Furniture & Fixture others Office equipments	129.52	0.60	-	130.12	74.85	7.01	81.86	81.86	-	48.26	54.67	
Motor Vehicles	131.03	5.50	-	136.53	80.20	13.61	93.81	93.81	-	42.72	50.83	
<b>TOTAL</b>	<b>7,653.91</b>	<b>469.33</b>	<b>22.47</b>	<b>8,100.77</b>	<b>3,752.54</b>	<b>408.50</b>	<b>21.37</b>	<b>4,139.66</b>	<b>-</b>	<b>3,961.10</b>	<b>3,901.37</b>	

1. Motor vehicles include Rs.3.45 lakh acquired in Financing scheme.
2. Refer Note 13(a) and 15(a) for information on property, plant and equipment Hypothecated with Bank as security by the Company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NON-CURRENT ASSETS  
NOTE 3(a) PROPERTY, PLANT AND EQUIPMENT(GAAP)**

(All amounts in INR lakhs)

Particulars	As at 01.04.2016		Gross Carrying amount		As on 31.03.2017		Accumulated Depreciation		Net carrying amount	
	Rs.		Rs.	Sales / disposal during the year	Rs.		Rs.	Rs.	As on 31.03.2017	As on 01.04.2016
Land (free hold)	164.97	-	164.52	0.45	164.52	-	-	-	164.52	164.97
Building	961.00	99.50	1,060.50	-	1,060.50	13.97	406.98	653.51	567.99	567.99
Plant & Machinery	5,097.11	356.78	5,449.76	4.13	5,449.76	2,79.78	2,747.84	3.71	2,701.92	2,625.34
Co-generation	304.38		304.38		186.73	28.92	215.65		88.73	117.65
Computer	50.58	5.33	55.90		38.17	6.57	44.75		11.16	12.40
Electric installation	342.92		342.92		153.46	21.17	174.63		168.29	189.46
Tubewell & Water supply	15.39		15.39		7.65	-	7.65		7.74	7.74
Furniture fixture & other office equipments	124.23	5.29	129.52		68.34	6.51	74.85		54.67	55.90
Motor vehicles	142.05	-	131.03	11.03	75.80	13.05	80.20	8.66	50.83	66.25
<b>Total</b>	<b>7,202.62</b>	<b>466.89</b>	<b>7,653.91</b>	<b>15.60</b>	<b>3,394.93</b>	<b>369.99</b>	<b>3,752.54</b>	<b>12.37</b>	<b>3,901.37</b>	<b>3,807.70</b>

1 Motor vehicles include Rs. 6.98 lakh acquired in Financing scheme.

2 Refer Note 13(a) and 15(a) for information on property, plant and equipment Hypothecated with Bank as security by the Company.

**NOTE 3(b) Capital Work in Progress**

PARTICULARS	Gross Carrying amount	
	As on 01.04.2017	As on 31.03.18
<b>CAPITAL WORK IN PROGRESS</b>	<b>880.54</b>	<b>1,125.84</b>

Capital Work in Progress includes (a) Rs.50.36 lakh representing purchase of Land at North (24) parganas West Bengal towards Company's proposed new diversification Project (b) towards Capital expenditure for Company's proposed new Linen Yarn manufacturing Project at Chandannagar, West Bengal for Rs.1075.48 lakh.

**NOTE 3(b) Capital Work in Progress(GAAP)**

PARTICULARS	Gross Carrying amount	
	As on 01.04.2016	As on 1-Apr-16
<b>CAPITAL WORK IN PROGRESS</b>	<b>139.21</b>	<b>139.21</b>

Capital Work in Progress includes (a) Rs.50.36 lakh representing purchase of Land at North (24) parganas West Bengal towards Company's proposed new diversification Project (b) towards Capital expenditure for Company's proposed new Linen Yarn manufacturing Project at Chandannagar, West Bengal for Rs.830.18 lakh.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE: 4 OTHER INTANGIBLE ASSETS**

(All amounts in INR lakhs)

Particulars	Gross Block			Depreciation			Net carrying amount		
	As at 01.04.2017	Addition during the year	Sales / dis- posal during the year	As on 31.03.2018	As on 01.04.2017	For the year	Adj. for disposal	As on 31.03.2018	As on 01.04.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	35.26	-	-	35.26	32.08	0.63		2.54	3.18
<b>TOTAL</b>	35.26	-	-	35.26	32.08	0.63	-	2.54	3.18

**NOTE: 4 OTHER INTANGIBLE ASSETS(GAAP)**

(All amounts in INR lakhs)

Particulars	Gross Block			Depreciation			Net carrying amount		
	As at 01.04.2016	Addition during the year	Sales / dis- posal during the year	As on 31.03.2017	As on 01.04.2016	For the year	Adj. for disposal	As on 31.03.2017	As on 01.04.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	33.26	2.00	-	35.26	31.09	1.00		3.18	2.17
<b>TOTAL</b>	33.26	2.00	-	35.26	31.09	1.00	-	3.18	2.17

**Note: 5 Investments (Non-current)** (All amounts in INR lakhs)

Particulars	Face value	No. of units	31-Mar-18	No. of units	31-Mar-17	No. of units	1-Apr-16
I. Mandatorily measured at FVOCI INVESTMENT IN EQUITY INSTRUMENT FULLY PAID UP							
UNQUOTED - AT COST							
YATAN TRADE LINK (P) LTD	10	1250	2.50	1250	2.50	1250	2.50
Woodland Multispeciality Hospital Ltd. (formerly East India Clinic Ltd. Non redeemable 5% Debentures Stock 1957)	10	3310	0.33	3310	0.33	3310	0.33
INVESTMENT IN REDEEMABLE SHARE (B'Class) Kamarhatty Jute Mill Employees. Consumers Co.op Stores Ltd.	10	250	0.03	250	0.03	250	0.03
Mandatorily measured at FVTPL INVESTMENT IN 7 YEARS NATIONAL SAVING CERTIFICATE			0.01		0.01		0.01
<b>Aggregate amount of Unquoted Investments</b>			<b>2.87</b>		<b>2.87</b>		<b>2.87</b>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in INR Lakhs )

**NOTE: 6 OTHER NON-CURRENT ASSETS**

(Unsecured , considered good)

Particulars	31 March 2018	31 March 2017	1 April 2016
Capital advances	26.84	14.87	97.56
<b>Total</b>	<b>26.84</b>	<b>14.87</b>	<b>97.56</b>

**NOTE: 7 INVENTORIES**

(At lower of cost or net realizable value)

Particulars	31 March 2018	31 March 2017	1 April 2016
Raw materials	1,060.71	822.84	368.34
Process Stock	541.85	410.32	559.61
Coal	50.16	38.53	40.16
Finished goods (includes goods in transit ₹ NIL (31.03.17- ₹ 54.18 lakhs, 01.04.2016 - ₹ NIL)	3,060.19	2,505.99	2,049.57
Stores and spares parts	358.05	278.02	225.91
<b>Total</b>	<b>5,070.96</b>	<b>4,055.70</b>	<b>3,243.60</b>

**NOTE: 8(a) TRADE RECEIVABLES**

Particulars	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	1,771.60	1,470.90	1,500.80
<b>Total</b>	<b>1,771.60</b>	<b>1,470.90</b>	<b>1,500.80</b>

**NOTE: 8(b) CASH AND CASH EQUIVALENTS**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Cash and cash equivalents</b>			
Cash on hand	6.50	10.17	30.89
Balances with banks			
- In current accounts	22.86	17.31	20.54
<b>Total</b>	<b>29.36</b>	<b>27.48</b>	<b>51.43</b>

**NOTE: 8(c) OTHER BANK BALANCES**

Particulars	31 March 2018	31 March 2017	1 April 2016
FIXED DEPOSITS	141.94	100.94	151.52
(pledged with bank as margin)			
<b>Total</b>	<b>141.94</b>	<b>100.94</b>	<b>151.52</b>

**NOTE: 8(d) OTHER FINANCIAL ASSETS - CURRENT**

Particulars	31 March 2018	31 March 2017	1 April 2016
Interest accrued on deposits	7.13	5.64	8.11
<b>Total</b>	<b>7.13</b>	<b>5.64</b>	<b>8.11</b>

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR Lakhs )

#### NOTE: 9 CURRENT TAX ASSETS

Particulars	31 March 2018	31 March 2017	1 April 2016
Advance for taxation (including tax deducted at source)	599.51	534.06	503.88
<b>Total</b>	<b>599.51</b>	<b>534.06</b>	<b>503.88</b>

#### NOTE: 10 OTHER CURRENT ASSETS

Particulars	31 March 2018	31 March 2017	1 April 2016
Prepaid expenses	11.53	15.12	0.07
Mat credit entitlement	76.01	102.89	47.65
Balances with government authorities	52.06	49.80	35.56
Other Deposits	3.34	3.24	3.50
Advances for goods and services	101.81	74.45	239.52
Other advances (considered good)	30.65	104.65	140.02
Advance to Employees	12.26	35.29	29.70
Advance to bodies corporate	8.30	2.83	2.51
<b>Total</b>	<b>295.97</b>	<b>388.27</b>	<b>498.53</b>

#### NOTE: 11 EQUITY SHARE CAPITAL

##### A) Authorised share capital

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	6,000,000	600.00
Changes during the year		
<b>As at 31 March 2017</b>	6,000,000	600.00
Changes during the year		
<b>As at 31 March 2018</b>	6,000,000	600.00

#### NOTE: 11 PREFERENCE SHARE CAPITAL

##### A) Authorised share capital

(All amounts in INR lakhs)

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	100,000	100.00
Changes during the year		
<b>As at 31 March 2017</b>	100,000	100.00
<b>As at 31 March 2018</b>	100,000	100.00

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in INR lakhs)

**B) Issued, subscribed and fully paid-up shares**

Particulars	Equity shares	
	Number of shares	Amount
<b>As at 1 April 2016</b>	5,617,000	561.70
Changes during the year		
<b>As at 31 March 2017</b>	5,617,000	561.70
Changes during the year		
<b>As at 31 March 2018</b>	5,617,000	561.70

**C) Details of the shareholders holding more than 5% of equity shares of the Company**

Name of the shareholder	31 March 2018		31 March 2017		1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Tornado Consultants Ltd.	835000	14.87	835000	14.87	835000	14.87
Malsisar Converting Machinery Pvt. Ltd.	550000	9.79	550000	9.79	550000	9.79
Echolac Trexim Ltd.	500000	8.90	500000	8.90	500000	8.90
Niramaya Investment & Dealers Ltd.	291100	5.18	291100	5.18	291100	5.18
Mrs Shakuntala Devi Agarwal	709980	12.64	-	-	-	-
Late Badri Prasad Agarwal	-	-	588380	10.47	588380	10.47
Mr Sushant Kumar Agarwal	370000	6.59	370000	6.59	370000	6.59

**D) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of Equity shares having a face value of Rs.10 per share.

Each shareholder is eligible for one vote per share held.

In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding

The Board has not proposed any dividend for the year

**Note: 12 Other equity**

**A. Reserve and Surplus**

Particulars	31 March 2018	31 March 2017	1 April 2016
(i) Retained earnings	<b>1,853.00</b>	1,689.18	1,386.73
(II) Revaluation Reserve	-	-	-
(iii) Securities Premium	<b>204.00</b>	204.00	204.00
(iv) Capital Redemption Reserve	<b>40.00</b>	40.00	40.00
(v) Capital Reserve	<b>261.22</b>	297.21	276.17
<b>Total reserves and surplus</b>	<b>2,358.22</b>	2,230.40	1,906.90

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>(ii) Revaluation reserve</b>			
Balance at the beginning of the year	–	–	268.17
Less: Adjustment on account of foreign exchange difference in account of buyers credit from bank in for Capital expenditure	–	–	(27.15)
Less: Transfer to Retained earnings			(241.02)
Balance at the end of the year	–	–	–
<b>(v) Capital Reserve</b>			
Balance as at the beginning of the year	<b>297.21</b>	276.17	242.30
Add: Addition during the year	–	62.17	52.66
Less: Release to Statement of Profit and Loss account	<b>(35.99)</b>	(41.13)	(18.80)
Balance at the end of the year	<b>261.22</b>	297.21	276.17
<b>(i) Retained earnings</b>			
Balance as at the beginning of the year	<b>1,689.18</b>	1,386.73	558.99
Share of Profit net of loss in subsidiary for the year	<b>189.46</b>	302.45	592.84
Add: Transfer from Revaluation Reserves	–	–	241.02
Less :Adjustment for short provision for tax in prior year	<b>(25.64)</b>	–	(6.11)
Items of other comprehensive income recognised directly in retained earnings	–	–	–
Balance at the end of the year	<b>1,853.00</b>	1,689.18	1,386.73

#### Nature and Purpose of Reserves

- a) Capital Reserves represents Government Grants received from Government authorities on account of Investments in Capital assets by the Company.
- b) Securities Premium represents share issued earlier at Premium.
- c) Capital Redemption reserve represents Preference shares issued and redeemed earlier and the corresponding amount has been transferred to CRR.
- d) Retained earnings are the profit that the Company has earned till date less any transfer to general Reserves, dividend or other distribution paid to the shareholders.

#### B. Other reserves - Equity instruments through Other comprehensive income

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Balance at the beginning of the year	–	–	–
Balance at the end of the year	–	–	–
<b>Total (A+B)</b>	<b>2,358.22</b>	2,230.40	1,906.90

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in INR lakhs)

**NOTE: 13(a) BORROWINGS (NON-CURRENT)**

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured</b>			
(i) TERM LOAN FROM BANK [Refer note (i),(ii) & (iii) below]	<b>1,285.65</b>	1,508.02	545.87
(ii) Long term maturities of Finance lease(car)	<b>3.45</b>	6.98	17.04
<b>Unsecured</b>			
(a) LOAN FROM OTHERS	<b>1,456.92</b>	1,025.05	1,007.84
Less: Current maturities of long term debts [refer note 15(c)]	<b>(354.97)</b>	(403.51)	(205.00)
<b>Total</b>	<b>2,391.05</b>	2,136.54	1,365.75

**Nature of security**

- (i) Term loan from banks amounting to Rs.4,87,69,405/- (31 March 2017 - 3,87,04,284/-, 01 April 2016 - ₹ nil) are secured by hypothecation of fixed assets financed by the Term Loan
- (ii) Term loan from banks amounting to Rs.1,30,02,962/- (31 March 2017 - 2,97,68,270/- , 01 April 2016 - ₹ 5,45,86,620/-) are secured by hypothecation of fixed assets financed by the Term Loan
- (iii) ICICI LAP Account secured against security of a property of a Director -amountng to Rs.6,67,93,094/- I (31 March 2017 - 8,23,29,068/-, 01 April 2016 - ₹ nil)
- (a) Car acquired under finance lease are secured by hypothecation of cars.

**Terms of repayment**

- Repayable in 20 equal quarterly instalments beginning from September 2017.
- Repayable in 16 equal quarterly instalments beginning from September 2014.
- Repayable in 60 equated monthly instalments beginning from November 2016.
- Repayable in equated monthly instalments

**NOTE: 13(b) OTHER FINANCIAL LIABILITIES (NON-CURRENT)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Security Deposit	<b>179.83</b>	166.18	169.50
<b>Total</b>	<b>179.83</b>	166.18	169.50

**NOTE: 14 DEFERRED TAX LIABILITIES (NET)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Deferred tax liabilities	<b>11.65</b>	9.30	9.30
Deferred tax liability arising out of depreciation	<b>-</b>	2.35	-
<b>Net deferred tax liabilities</b>	<b>11.65</b>	11.65	9.30



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs)

#### NOTE: 15(a) BORROWINGS (CURRENT)

Particulars	31 March 2018	31 March 2017	1 April 2016
<b>Secured:</b>			
Cash Credit from bank [refer note (a) below]	<b>874.32</b>	789.99	483.98
<b>Unsecured:</b>			
Packing Credit from Bank (refer note (b) below)	<b>17.99</b>	–	–
<b>Total</b>	<b>892.31</b>	789.99	483.98

#### Notes:(a) and (b)

- (a) Secured primarily by exclusive hypothecation charge over stocks, books and other current assets of the Company both present & future & collateral equitable mortgage / hypothecation of land, building and plant & machinery of the Company.
- (b) Secured by exclusive hypothecation of stocks meant for export.

#### NOTE: 15(b) TRADE PAYABLES

Particulars	31 March 2018	31 March 2017	1 April 2016
Trade payables (refer note (a) below for dues to Micro, Small and Medium Enterprises)	<b>4,094.23</b>	3,302.49	3,583.18
<b>Total</b>	<b>4,094.23</b>	3,302.49	3,583.18

**Note(a)** : The Company has not received information from vendors regarding their status under the Micro, Small, & Medium Enterprises Development Act, 2006, and hence disclosure relating to amounts unpaid at the year end, interest paid / payable under this Act have not been given.

#### NOTE: 15(c) OTHER FINANCIAL LIABILITIES - CURRENT

Particulars	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debt (refer note 13(a))	<b>354.97</b>	403.51	205.00
Book Overdraft	<b>350.30</b>	204.34	470.51
Advances received from customers	<b>34.08</b>	40.48	2.71
Unclaimed amount payable to Preference share holders	<b>12.06</b>	12.06	12.06
Payable to WBSEDCL	<b>300.00</b>	300.00	300.00
Payable to WBIDC	<b>162.84</b>	162.84	162.84
Other Payable	<b>0.12</b>	0.63	0.17
<b>Total</b>	<b>1,214.36</b>	1,123.86	1,153.29

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125C of the Companies Act, 2013 as at the end of the year.

#### NOTE: 16 OTHER CURRENT LIABILITIES

Particulars	31 March 2018	31 March 2017	1 April 2016
Statutory dues	<b>594.14</b>	357.22	235.39
Electricity dues	<b>258.99</b>	253.95	126.95
Other payables	<b>196.38</b>	222.26	243.58
<b>Total</b>	<b>1,049.51</b>	833.43	605.92

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE: 17 PROVISIONS (CURRENT)**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for Cess duty / Excise duty on stock	–	27.70	23.43
<b>Total</b>	<b>–</b>	<b>27.70</b>	<b>23.43</b>

**NOTE: 18 CURRENT TAX LIABILITIES**

Particulars	31 March 2018	31 March 2017	1 April 2016
Provision for taxation	<b>557.36</b>	472.71	397.69
<b>Total</b>	<b>557.36</b>	<b>472.71</b>	<b>397.69</b>

**NOTE : 19 REVENUE FROM OPERATIONS**

**Details of Products Sold**

Particulars	31 March 2018	31 March 2017
Jute Goods (including cess)	<b>14,646.67</b>	16,654.93
Kraft Paper (including excise duty)	<b>1,693.97</b>	1,204.61
	<b>16,340.64</b>	<b>17,859.54</b>

Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations disclosed net of GST. However revenue for the period upto June 30, 2017 is inclusive of Cess & Excise duty. Accordingly, revenue from operation & other expenses for year 31 March, 2018 are not comparable with previous year.

**Note : 19 OTHER OPERATING INCOME**

Processing charges received	<b>81.92</b>	85.17
(Tax deducted at source Rs.1,37,883/- previous year -Rs.1,22,249/-)		
Sale of Scrap	<b>5.79</b>	4.51
SALE OF REP LICENCE	<b>28.99</b>	18.63
EXPORT DUTY DRAWBACK	<b>51.16</b>	22.82
	<b>167.86</b>	<b>131.13</b>

**Note : 20 OTHER INCOME**

Interest income	<b>13.01</b>	10.52
(Tax deducted at source Rs.1,16,477/-)		
Previous Year -Rs.-Rs.1,03,788/-)		
Rental Income(Gross):	<b>290.75</b>	266.70
(Tax deducted at source Rs.29,11,836/-)		
Previous Year -Rs.26,52,015/-)		
Profit on Sale of Property,Plant & Equipment (net)	<b>28.65</b>	25.22
Insurance Claim	<b>5.32</b>	0.92
Miscellaneous Income	<b>40.75</b>	150.79
	<b>378.48</b>	<b>454.15</b>

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE : 21 COST OF MATERIAL CONSUMED

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Details of Raw material Consumed		
Raw Jute	<b>7,951.36</b>	9,277.42
Flax	<b>126.81</b>	39.43
Jute Batching Oil	<b>215.42</b>	220.34
Packing material	<b>120.65</b>	92.81
Dye material	<b>133.69</b>	130.82
Waste paper	<b>1,006.35</b>	643.04
Chemical	<b>53.32</b>	75.87
<b>Total</b>	<b><u>9,607.59</u></b>	<u>10,479.73</u>

#### NOTE : 22 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS

##### OPENING STOCK:

Finished Goods	<b>2,505.99</b>	2,049.57	
Stock-in-process	<b>410.32</b>	559.61	
<b>Total A</b>	<b><u>2,916.31</u></b>	<u>2,609.18</u>	

Less:

##### CLOSING STOCK:

Finished Goods	<b>3,060.19</b>	2,505.99	
Stock-in-process	<b>541.85</b>	410.32	
<b>Total B</b>	<b><u>3,602.04</u></b>	<u>2,916.31</u>	
	<b><u>(685.72)</u></b>	<u>(307.13)</u>	

Less: Cess Duty Provision on Inventory

ON CLOSING STOCK	-	27.70	
ON OPENING STOCK	<b><u>27.70</u></b>	<u>23.43</u>	(4.28)

Increase in stock IN TRADE

	<b><u>(713.43)</u></b>	<u>(302.86)</u>	
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DECREASE / (Increase) in inventories

#### Note : 23 EMPLOYEE BENEFIT EXPENSES

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Salary, Wages and Bonus	<b>3,370.12</b>	3,245.01
Gratuity	<b>187.93</b>	159.78
Contribution to Provident Fund & Other Funds	<b>301.57</b>	311.81
Workmen and Staff Welfare expenses	<b>7.92</b>	8.81
	<b><u>3,867.54</u></b>	<u>3,725.41</u>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE : 24 FINANCE COST**

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
a Interest TO BANK	<b>206.16</b>	213.16
b Interest - Others	<b>132.55</b>	109.61
<b>Total</b>	<b>338.71</b>	322.77

**NOTE : 25 DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation of Property,Plant & Equipment	<b>408.50</b>	369.99
Amortisation of other Intangible Assets	<b>0.63</b>	1.00
	<b>409.13</b>	370.98
Less:Transferred from Capital Reserve	<b>35.99</b>	41.13
<b>Total</b>	<b>373.14</b>	329.85

**NOTE: 26 OTHER EXPENSES**

Particulars	31 March 2018	31 March 2017
Consumption of stores & spare sparts	<b>310.96</b>	262.34
Power & Fuel	<b>1,275.51</b>	1,198.05
Repair to building	<b>19.20</b>	23.51
Repair to plant & machinery	<b>329.22</b>	286.13
Repair to others	<b>32.37</b>	52.02
Branding & processing charges	<b>76.00</b>	114.37
Brokerage & Commission	<b>74.51</b>	94.00
Transport charges	<b>86.99</b>	68.83
Adveretisement	<b>1.58</b>	0.72
Bank charges	<b>29.76</b>	38.66
Conveyance	<b>4.43</b>	4.37
Coolie & carriage	<b>0.08</b>	0.32
Electric charges	<b>9.19</b>	8.87
Filing fees	<b>0.33</b>	0.57
Listing fees	<b>0.35</b>	0.29
Hire charges	<b>0.73</b>	1.42
Legal expenses	<b>24.39</b>	2.78
Motor car expenses	<b>21.97</b>	19.69
Office maintenance	<b>7.96</b>	14.58
Postage & telegram	<b>3.37</b>	3.07
Printing & stationery	<b>11.42</b>	10.51
Subscription	<b>15.24</b>	11.49
Telephone expenses	<b>11.40</b>	12.49
Travelling expenses	<b>21.44</b>	37.50
Security charges	<b>20.84</b>	16.21
Rates & taxes	<b>81.91</b>	274.45
Rent	<b>4.68</b>	4.68
Insurance charges	<b>34.20</b>	12.88
Debts written off	<b>13.55</b>	13.74
Miscellaneous expenses	<b>208.99</b>	239.07
Corporate Social Responsibility expenses (refer note b)	<b>1.68</b>	2.15
Auditor's remuneration (note a)	<b>1.15</b>	1.11
Director's remuneration	<b>29.35</b>	33.05
Director fees	<b>2.03</b>	1.57
Professional fees	<b>43.32</b>	84.21
<b>Total</b>	<b>2,810.10</b>	2,949.70

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
<b>Notes</b>		
a) PAYMENTS TO AUDITORS		
As Auditor		
For Audit fees	<b>0.81</b>	0.81
For Tax Audit	<b>0.17</b>	0.17
Other Capacity		
For Certification	<b>0.17</b>	0.13
	<u><b>1.15</b></u>	<u>1.11</u>
b) Corporate social responsibility expenditure		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (in cash)	<b>1.68</b>	2.15
<b>Total</b>	<b>1.68</b>	2.15
Amount required to be spent as per Section 135 of the Act.	<u><b>1.67</b></u>	<u>2.12</u>

#### NOTE: 27 INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and & non - deductible items.

##### (a) Income tax expense

(All amounts in INR lakhs)

Particulars	31 March 2018	31 March 2017
Current tax		
Current tax on profits for the year	<b>62.04</b>	72.29
Mat credit availed / (Entitlement)	<b>26.87</b>	(52.50)
<b>Total current tax expense</b>	<b>88.91</b>	19.79
<b>Deferred tax</b>		
Increase in deferred tax liabilities	-	2.35
Income tax expense	<u><b>88.91</b></u>	<u>22.14</u>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts in INR lakhs)

**(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:**

Particulars	31 March 2018	31 March 2017
Profit before tax	<b>284.73</b>	354.48
Tax at the indian tax rate of 33.063% (2016-17 – 33.063%)	<b>94.14</b>	117.20
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	<b>(5.23)</b>	(44.91)
Deferred on unabsorbed depreciation	–	2.35
MAT credit entitlement	–	(52.50)
<b>Total income tax expense/(credit)</b>	<b>88.91</b>	22.14

**(c) Details of MAT credit balance available with expiry date**

Particulars	31 March 2018	31 March 2017	1 April 2016
MAT credit balance			
<b>Expiry</b>			
AY 2030-31	<b>20.78</b>	47.65	47.65
AY 2031-32	<b>55.23</b>	55.23	–
AY 2032-33	–	–	–
<b>Total</b>	<b>76.01</b>	102.89	47.65

**NOTE : 28 EARNINGS PER SHARE (EPS)**

Consolidated Profit FOR THE YEAR		<b>185.73</b>	284.89
Net Profit for calculation of Basic and Diluted EPS (A)		<b>185.73</b>	284.89
Weighted average number of shares outstanding of Rs.10/- each. (B)		<b>56.17</b>	56.17
Basic and Diluted Earning per share A/B		<b>3.37</b>	5.38

**NOTE : 29 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	31 March 2018	31 March 2017
a) Contingent Liability:	<b>NIL</b>	5.18
(i) Bank Guarantee – Subsidiary		
Others	<b>393.77</b>	386.15
Claim against the Company not acknowledged as debts:		
(ii) Demand of different Statutory authorities under dispute pending in appeals	<b>2019.92</b>	2298.86
The Management feels that the claims are not likely to succeed and hence not provided in the accounts. However the consequential effect of the claims is dependent on disposal of appeals.		
Capital and other commitments		
Estimated amount of Contract remaining to be executed on Capital account (net of advances) and not provided for	<b>59.65</b>	30.98
b) Statutory dues, in respect of, Employees State Insurance are in the process of reconciliation with authorities. Pending reconciliation / confirmation the final amounts payable against these dues has not been ascertained. The same will be accounted for as and when information received.		
c) In terms of Tariff Orders passed by W.B Electricity Regulatory Commission for the financial years 2000-2002 and 2002-2005 respectively a total sum of Rs 4128046/- for the period upto June 2004 has become refundable to the Company in terms of direction of the Hon' ble Commission dated 26th July, 2004. As per the said Tariff Order the refund is to be effected only after adjusting previous arrears if any due from the particular consumer. The same is being accounted for as and when received.		

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE : 30 RELATED PARTY DISCLOSURES:

Related Party Disclosures as required by Ind AS – 24, 'Related Party Disclosure' are given below:

##### i) Key Management Personnel:-

Shri S.K. Agarwal, Managing Director  
Shri H. Nahata, Executive Director

Relatives of Key Managerial Personnel: Shri S.K. Agarwal, Shri H.K. Agarwal, Shri D.K. Agarwal, Smt S.D. Agarwal, Smt Kalpana Agarwal, Shri S.K. Agarwal (HUF), Smt Sweta Agarwal, Smt Sarita Agarwal, Smt Priti Agarwal, Shri Rajendra Kr. Bansal, Shri Jagdish Prasad Bansal, Smt Hema Bansal.

##### b) Transactions with related parties:

##### i) Remuneration paid to key Managerial Personnel:

(All amounts in INR lakhs)

	<b>31.03.2018</b>	31.03.2017
Late B.P. Agarwal	<b>7.95</b>	11.70
S.K. Agarwal	<b>11.23</b>	11.23
H.Nahata	<b>10.17</b>	10.12
	<b>29.35</b>	33.05
A. Lakhotia	<b>1.01</b>	–
R. Singh	–	3.45
<b>Total</b>	<b>30.36</b>	36.50

a) List of Related Parties.

##### ii) Parties where control exists.

<b>Name of the Related Party</b>	<b>Nature of relationship</b>
a) Kamakshi Jute Industries Ltd	Company in which some of the Directors are interested as Directors
b) Hemp Trading Pvt Ltd	Company in which Director is interested as a Director and as a member
c) Annapurna Commercial Company Ltd	Company in which Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
d) Kamarhatty Industries Ltd	Company in which Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
e) Malsisar Converting Machinery P ltd	Company in which Director is interested as a Director.
f) Tornado Consultants Ltd.	Company in which Director is interested as a Director.
g) Keshava Jute Mills Pvt. Ltd.	Company in which Director is interested as a Director.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**TRANSACTION WITH THE RELATED PARTIES**

(All amounts in INR lakhs)

Received From	Relation	Nature of Transaction	Outstanding as on 31.03.2018	Outstanding as on 31.03.2017	Outstanding as on 31.03.2016
B.P. Agarwal	Director or Relative of Director of the Company	Loans and Advances	-	1.20	0.75
B.P. Agarwal (HUF)	Director or Relative of Director of the Company	Loans and Advances	34.65	31.20	26.25
Dharmesh Kr. Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	4.70	8.65	16.00
Dharmesh Kr. Agarwal,	Director or Relative of Director of the Company	Loans and Advances	62.25	55.50	46.30
Hema Bansal.	Director or Relative of Director of the Company	Loans and Advances	22.30	22.87	22.30
Hitesh Kr. Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	37.05	36.90	33.90
Hitesh Kr. Agarwal.	Director or Relative of Director of the Company	Loans and Advances	22.80	21.90	15.45
J.P.Bansal Family Trust.	Director or Relative of Director of the Company	Loans and Advances	5.00	5.14	5.00
Jagdish Prasad Bansal (HUF).	Director or Relative of Director of the Company	Loans and Advances	0.90	0.90	0.90
Kalpana Agarwal,	Director or Relative of Director of the Company	Loans and Advances	36.40	28.87	22.85
Paridhi Agarwal,	Director or Relative of Director of the Company	Loans and Advances	0.75	1.25	7.50
Priti Agarwal,	Director or Relative of Director of the Company	Loans and Advances	8.00	10.22	9.00
Rajendra Kumar Bansal.	Director or Relative of Director of the Company	Loans and Advances	2.95	3.00	2.95
Ramesh Kumar Agarwal (HUF),	Director or Relative of Director of the Company	Loans and Advances	23.50	23.50	13.50
Ramesh Kumar Agarwal,	Director or Relative of Director of the Company	Loans and Advances	26.50	15.50	13.50
Sakuntala Devi Agarwal,	Director or Relative of Director of the Company	Loans and Advances	59.85	34.70	27.80
Sarita Agarwal,	Director or Relative of Director of the Company	Loans and Advances	40.40	31.65	28.15
Sejal Agarwal,	Director or Relative of Director of the Company	Loans and Advances	16.75	16.25	6.50
Sushant Kr Agarwal (HUF).	Director or Relative of Director of the Company	Loans and Advances	50.25	47.35	42.85



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Received From	Relation	Nature of Transaction	Outstanding as on 31.03.2018	Outstanding as on 31.03.2017	Outstanding as on 31.03.2016
Sushant Kumar Agarwal.	Director or Relative of Director of the Company	Loans and Advances	47.60	23.35	7.60
Sweta Agarwal.	Director or Relative of Director of the Company	Loans and Advance	16.75	10.90	10.60
Utkarsh Agarwal	Director or Relative of Director of the Company	Loans and Advances	38.35	-	-
Udisha Agarwal,	Director or Relative of Director of the Company	Loans and Advances	31.65	24.45	15.80
Malsisar Converting Machinery Pvt. Ltd	A Company in which some of the Directors are interested as Director	Loans and Advances	327.28	297.73	320.15
Keshava Jute Mills Pvt. Ltd	A Company in which some of the Directors are interested as Director	Purchase of finished goods & sale of raw jute & stores	1.98	5.77	-
Kamakshi Jute And Industries Ltd	A Company in which some of the Directors are interested as Director	Loans & Advances & purchase of yarn & raw jute	13.06	26.42	14.12
Tornado Consultants Ltd	A Company in which some of the Directors are interested as Director	Loans and Advances	157.37	0.52	1.90

**NOTE – 1 :-** Advance given

#### DISCLOSURE ON FINANCIAL INSTRUMENT

This section gives overview of the significance of financial instrument for the Company and provides additional information on balance sheet items that contain financial instruments.

#### NOTE: 31 FAIR VALUE MEASUREMENTS

##### Financial instruments by category

(All amounts in INR lakhs)

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments		<b>2.87</b>				2.87			2.87
Trade receivables		<b>1,771.60</b>				1,470.90			1,500.80
Cash & cash equivalents		<b>29.36</b>				27.48			51.43
Bank balances other than cash & cash equivalents		<b>141.94</b>				100.94			151.52
Interest accrued on deposits		<b>7.13</b>				5.64			8.11
<b>Total financial assets</b>		<b>1,952.90</b>				<b>1,607.83</b>			<b>1,714.73</b>
<b>Financial liabilities</b>									
Borrowings		<b>3,283.36</b>				2,926.53			1,849.73
Trade payables		<b>4,094.24</b>				3,302.49			3,583.18
Security deposit		<b>179.83</b>				166.18			169.50
Other payables		<b>1,214.36</b>				1,123.86			1,153.29
<b>Total financial liabilities</b>		<b>8,771.79</b>				<b>7,519.06</b>			<b>6,755.71</b>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**(i) Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value  
 - recurring fair value measurements - At 31 March 2018

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments</b>				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	<b>2.87</b>
<b>Total financial assets</b>	-	-	2.87	<b>2.87</b>

**Financial liabilities**

**Total financial liabilities**

(All amounts in INR lakhs)

Financial assets and liabilities measured at fair value  
 - recurring fair value measurements - At 31 March 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	2.87
<b>Total financial assets</b>	-	-	2.87	<b>2.87</b>

Financial assets and liabilities measured at fair value  
 - recurring fair value measurements - At 1st April 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments				
- Quoted investments	-	-	-	-
- Unquoted investments	-	-	2.87	2.87
<b>Total financial assets</b>	-	-	2.87	<b>2.87</b>

Level 3 [Fair values determined using valuation techniques with significant unobservable inputs]:

In case of unquoted equity instrument where most recent information to measure the value is not sufficient, cost has been considered as Fair value.

There are no transfers between levels 1 and 2 during the year.

- The carrying amounts of trade receivables, loans, cash and cash equivalents, other bank balances, other financial assets, security deposits, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### NOTE-32 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other
- shareholders and maintain an optimal capital structure to reduce the cost of capital

#### NOTE: 33 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

Risk	Exposure arising from	Measurement	Management
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of customer base and approved counter parties.
<b>Liquidity risk</b>	Borrowings and other liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
<b>Foreign Currency Risk</b>	Trade Receivables, Trade payables	Sensitivity analysis	Company does not have significant foreign currency exposure
<b>Market risk – interest rate</b>	Long-term borrowings at variable rates	Sensitivity analysis	Diversified debt portfolio Regular monitoring of borrowings

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 34(I) MATURITY ANALYSIS FOR FINANCIAL LIABILITIES**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(All amounts in INR lakhs)

<b>Contractual maturities of financial liabilities 31 March 2018</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	892.31	-	2,391.05	-	3,283.36
Other financial liabilities	1,214.36	-	179.83	-	1,394.19
Trade payables	4,094.23	-	-	-	4,094.23
<b>Total financial liabilities</b>	<b>6,200.91</b>	<b>-</b>	<b>2,570.88</b>	<b>-</b>	<b>8,771.79</b>
<b>Contractual maturities of financial liabilities 31 March 2017</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	789.99	-	2,136.54	-	2,926.53
Other financial liabilities	1,123.86	-	166.18	-	1,290.04
Trade payables	3,302.49	-	-	-	3,302.49
<b>Total financial liabilities</b>	<b>5,216.34</b>	<b>-</b>	<b>2,302.72</b>	<b>-</b>	<b>7,519.06</b>
<b>Contractual maturities of financial liabilities 1 APRIL 2016</b>	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Financial Liabilities					
Borrowings	483.98	-	1,365.75	-	1,849.73
Other financial liabilities	1,153.29	-	169.50	-	1,322.79
Trade payables	3,583.18	-	-	-	3,583.18
<b>Total financial liabilities</b>	<b>5,220.46</b>	<b>-</b>	<b>1,535.25</b>	<b>-</b>	<b>6,755.71</b>

**NOTE: 35 NET DEBT RECONCILIATION**

(All amounts in INR lakhs)

This section sets out an analysis of net debt and the movements in net debt.

<b>Particulars</b>	<b>31 March 2018</b>	<b>31 March 2017</b>
Current borrowings	<b>892.31</b>	789.99
Non-current borrowings	<b>2,391.05</b>	2,136.54
Net debt	<b>3,283.36</b>	2,926.53

<b>Particulars</b>	<b>Liabilities from financing activities</b>	
	<b>Non-current borrowings</b>	<b>Current borrowings</b>
<b>Net debt as at 01 April 2017</b>	<b>2,136.54</b>	<b>789.99</b>
Proceeds from borrowings during the year	1,205.64	19,269.72
Repayment of borrowings during the year	(951.12)	(19,167.40)
<b>Net debt as at 31 March 2018</b>	<b>2,391.05</b>	<b>892.31</b>

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### **NOTE: 36 FIRST-TIME ADOPTION OF IND AS TRANSITION TO IND AS**

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

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These Consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its Consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Consolidated financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS Consolidated financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its consolidated financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the consolidated financial statements as at and for the year ended 31st March, 2017.

#### **A. Exemptions and exceptions availed**

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### **Ind AS optional 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 recognised in the Consolidated 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 after making necessary adjustments for de-commissioning liabilities. 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 their previous GAAP carrying value.

###### **Investments in subsidiaries**

Ind AS 101 permits a first time-adopter to elect to continue with the carrying values of all its investments in subsidiaries as recognised in the Consolidated financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries at their previous GAAP carrying value.

###### **Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

**Ind AS mandatory exceptions**

**Estimates**

An entity's estimates in accordance with Ind AS's 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 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

**Investment in equity instruments carried at FVOCI**

**Investment in debt instruments carried at FVTPL.**

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

Accordingly, the Company has determined the classification and measurements of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

**B. Transition to Ind AS – Reconciliations**

The following reconciliation provides the explanation and qualifications of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards".

- i) Reconciliation of Consolidated Balance Sheet as at 1st April,2016 (Transition date ) and as at 31st March,2017.
- ii) Reconciliation of Consolidated Statement of Profit and Loss for the year ended 31st March,2017
- iii) Reconciliation of Consolidated Statement of Cash Flows for the year ended 31st March,2017
- iv) Reconciliation of Total Equity as at 1st April,2016 and 31st March,2017

## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 36(I) EFFECT OF IND AS ADOPTION ON THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017 AND 1ST APRIL 2016

(All amounts in INR Lakhs)

Particulars	Balance Sheet as at 31 March, 2017			Opening Balance Sheet as at 1 April, 2016		
	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	3,901.37	-	3,901.37	3,807.70	-	3,807.70
Capital work in progress	880.54	-	880.54	139.21	-	139.21
Other intangible assets	3.18	-	3.18	2.17	-	2.17
Investment in subsidiaries	378.11	-	378.11	378.11	-	378.11
<b>Financial assets</b>						
(i) Investments	2.87	-	2.87	2.87	-	2.87
Other non-current assets	14.87	-	14.87	97.56	-	97.56
<b>Total non-current assets</b>	<u>4,802.82</u>	-	<u>4,802.82</u>	<u>4,049.50</u>	-	<u>4,049.50</u>
Non-Controlling Interest	270.85	-	270.85	253.28	-	253.28
<b>Current assets</b>						
Inventories	4,055.70	-	4,055.70	3,243.60	-	3,243.60
<b>Financial assets</b>						
(i) Trade receivables	1,470.90	-	1,470.90	1,500.80	-	1,500.80
(ii) Cash and cash equivalents	27.48	-	27.48	51.43	-	51.43
(iii) Bank balances other than (iii) above	100.94	-	100.94	151.52	-	151.52
(iv) Other financial assets	5.64	-	5.64	8.11	-	8.11
Current tax assets	534.06	-	534.06	503.88	-	503.88
Other current assets	388.28	-	388.28	498.53	-	498.53
<b>Total current assets</b>	<u>6,583.00</u>	-	<u>6,583.00</u>	<u>5,957.87</u>	-	<u>5,957.87</u>
<b>Total assets</b>	<u>11,656.67</u>	-	<u>11,656.67</u>	<u>10,260.65</u>	-	<u>10,260.65</u>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	561.70	-	561.70	561.70	-	561.70
Other equity	2,230.40	-	2,230.40	1,906.90	-	1,906.90
<b>Total equity</b>	<u>2,792.10</u>	-	<u>2,792.10</u>	<u>2,468.60</u>	-	<u>2,468.60</u>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
(i) Borrowings	2,136.54	-	2,136.54	1,365.75	-	1,365.75
(ii) Other financial liabilities	166.18	-	166.18	169.50	-	169.50
Deferred tax liabilities (net)	11.65	-	11.65	9.30	-	9.30
Other non-current liabilities	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<u>2,314.37</u>	-	<u>2,314.37</u>	<u>1,544.56</u>	-	<u>1,544.56</u>
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
(i) Borrowings	789.99	-	789.99	483.98	-	483.98
(ii) Trade payables	3,302.49	-	3,302.49	3,583.18	-	3,583.18
(iii) Other financial liabilities	1,123.86	-	1,123.86	1,153.29	-	1,153.29
Other current liabilities	833.43	-	833.43	605.92	-	605.92
Provisions	27.70	-	27.70	23.43	-	23.43
Current tax liabilities	472.71	-	472.71	397.69	-	397.69
<b>Total current liabilities</b>	<u>6,550.19</u>	-	<u>6,550.19</u>	<u>6,247.49</u>	-	<u>6,247.49</u>
<b>Total liabilities</b>	<u>8,864.56</u>	-	<u>8,864.56</u>	<u>7,792.05</u>	-	<u>7,792.05</u>
<b>Total equity and liabilities</b>	<u>11,656.65</u>	-	<u>11,656.65</u>	<u>10,260.65</u>	-	<u>10,260.65</u>

The previous GAAP figure have been reclassified to confirm to Ind AS presentational requirement for the purpose of this note.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**36(II) EFFECT OF IND AS ADOPTION ON THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH,2017**

**Note: 12 Other equity**

**A. Reserve and Surplus**

(All amounts in INR lakhs)

Particulars	NOTE	31st March Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>I. INCOME</b>				
Revenue from operations		17,623.45	236.08	17,859.54
OTHER OPERATING INCOME		131.12	–	131.12
Other Income		454.15	–	454.15
<b>Total Revenue</b>		<u>18,208.73</u>	<u>236.08</u>	<u>18,444.82</u>
<b>II. EXPENSES</b>				
Cost of Materials Consumed		10,479.72	–	10,479.72
Purchase of Traded Goods - finished & semi-finished goods		633.18	–	633.18
Change in inventories of finished goods and stock in process		(302.86)	–	(302.86)
Employee benefit expenses		3,725.41	–	3,725.41
FINANCE COST		322.77	–	322.77
Depreciation and amortisation expense		329.85	–	329.85
Other expenses		2,713.61	236.08	2,949.70
<b>Total Expenses</b>		<u>17,901.70</u>	<u>236.08</u>	<u>18,137.79</u>
<b>III. PROFIT BEFORE TAX</b>		307.03	–	307.03
LESS:				
<b>IV Tax Expenses:</b>				
- Current tax Expenses		72.29	–	72.29
- Minimum Alternate Tax availed / (Credit entitlement)		(52.50)	–	(52.50)
- Deferred Tax Liability		2.35	–	2.35
<b>TOTAL TAX EXPENSE</b>		<u>22.14</u>	<u>–</u>	<u>22.14</u>
<b>V Profit for the year before non-controlling interest</b>		284.89	–	284.89
Add: Share of Loss attributable to non-controlling interest		17.56	–	17.56
Profit after tax & non-controlling interest (A)		<u>302.45</u>	<u>–</u>	<u>302.45</u>
<b>VI OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>		–	–	–
<b>VII TOTAL Comprehensive Income for the year(A)+(B)</b>		302.45	–	302.45

The previous GAAP figure have been reclassified to conform to Ind AS presentational requirements for the purpose of this note.



## KAMARHATTY COMPANY LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 36(III) EFFECT OF IND AS ASOPTION ON THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2017

(All amounts in INR lakhs)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cash generated FROM Operating Activities	398.74	0	398.74
Net Cash used in Investing Activities	(1,171.25)	0	(1,171.25)
Net Cash generated from Financing Activities	697.98	0	697.98
Net increase in Cash and cash equivalent	(74.53)	-	(74.53)
Cash & Cash equivalents - Opening balance	202.95	0	202.95
Cash & Cash equivalents - Closing balance	128.42	-	128.42

Effect of Ind AS asoption on the Consolidated Comprehensive Income for the year ended 31st March,2017

	INR lakhs
GAAP	302.45
Total Comprehensive Income	302.45

#### NOTE : 37 RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

(All amounts in INR lakhs)

Particulars	31 March 2017	31 March 2016
Total equity (shareholder's funds) as per previous GAAP	2,792	2,469
Adjustments <sup>1</sup>	0.00	0.00
Total equity as per Ind AS	2,792	2,469

#### FOOTNOTES:

##### a) Reclassification

The Company has done the following reclassifications as per requirement of Ind AS:-

- 1) Assets/Liabilities which do not meet the definition of financial asset/financial liability have been reclassified to other asset/liability
- 2) Jute Manufacturing Cess / Paper manufacturing Excise duty on sales were earlier netted off with Revenue from Operations, now the Revenue from operations is representing figure with a corresponding increase in expenses.

37. Previous GAAP figures have been reclassified / regrouped to confirm the presentation requirements under Ind AS and the requirements laid down in Division II of the Schedule III of the Companies Act'2013.



# KAMARHATTY COMPANY LIMITED

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the companies (accounts) rules,2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

### Part "A" : Subsidiaries

(All amount INR lakh)

Sl.No.		1
1	Name of the subsidiary	Kamarhatty Power Ltd.
2	The date since when subsidiary was acquired	2006-07
3	Reporting period for the subsidiary concerned, iff different from the holding company's reporting period	Uniform reporting period
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5	Share capital	400.00
6	Reserves and surplus	(1138.21)
7	Total Assets	(738.21)
8	Total liabilities	(738.21)
9	Investments	-
10	Turnover	-
11	Profit/(Loss ) before Taxation	(10.08)
12	Provision for Taxation	-
13	Other comprehensive income	-
14	Profit/(Loss) after Taxation	(10.08)
15	Proposed Dividend	-
16	% of shareholding	63.02%

1.Names of subsidiaries which are yet to commence operations

None

2.Names of subsidiaries which have been liquidated or sold during the year

None

### Part "B" : Associates and Joint Ventures

Not Applicable

Place: Kolkata

Date : 9th June, 2018

## KAMARHATTY COMPANY LIMITED

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**Kamarhatty Company Limited**  
**Regd. Office : 16A, Brabourne Road,**  
**Kolkata – 700 001.**  
**Tel : 91-33-4021 1900**

### IMPORTANT & URGENT FOR YOUR IMMEDIATE ACTION

August 14, 2018

Dear Shareholder(s),

Sub : (1) Mandatory updation of PAN and Bank Details against your physical holding.  
(2) No physical transfers pursuant to SEBI-LODR notification.

The Securities and Exchange Board of India has by its circular SEBI/HO/DOP1/CIR/P/2018/73 dated 20th April, 2018 mandated that the companies through their Registrar and Transfer Agents ("RTA") take special efforts for collecting copies of PAN and Bank Account details for the security of the holders holding securities in physical form.

Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration /updation.

As per the records available with us, your folio needs to be updated with the PAN/Bank Account details. You are therefore requested to submit the following to update the records within 21 days from the date of receipt of the letter to enable us to update the records.

#### ACTION REQUIRED FROM YOU

- Enclosed format duly filled in and signed by all the shareholders
- Self-attested copy of PAN Card of all the holders of the security
- Cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book showing the name of the account holder) of the first holder
- Address proof (self-attested Aadhaar-card) of the first holder

Members may please be informed that, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, effective 5th December, 2018, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence investors are encouraged to demat their physical holding for any further transfer. In case if you have any queries or need any assistance in this regard, please contact:

Kamarhatty Company Limited Regd. Office : 16A, Brabourne Road, Kolkata – 700 001. Tel : 91-33-4021 1900 Email: jute@kamarhatty.com	M/s Maheshwari Datamatics Pvt Ltd. Unit: Kamarhatty Company Limited 6, Mangoe Lane, Kolkata – 700 001 Phone No. 91 33 2243-5809/5029 Email: mdpldc@yahoo.com
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Thanking you,

Yours faithfully

For **Kamarhatty Company Limited**

Sd/

**Anand Lakhotia**

*Company Secretary & Compliance Officer*

## KAMARHATTY COMPANY LIMITED

### BANK DETAILS, EMAIL ID & PAN REGISTRATION FORM

To  
M/s Maheshwari Datamatics Pvt Ltd.  
Unit: **Kamarhatty Company Limited**  
6, Mangoe Lane  
Kolkata – 700 001

Dear Sirs,

I/we give my/our consent to update the following details in your records for effecting payments of dividend and sending other communications by electronic for Equity Shares of Kamarhatty Company Limited.

Folio No. : \_\_\_\_\_

Name of the First/ sole holder : \_\_\_\_\_

Bank's Name : \_\_\_\_\_

Branch's Name & Address : \_\_\_\_\_

Account No. \_\_\_\_\_ Account Type (SB/Current) : \_\_\_\_\_

IFSC Code : \_\_\_\_\_ MICR Code : \_\_\_\_\_

Email Id : \_\_\_\_\_ Phone No. \_\_\_\_\_

Particulars	Name of Shareholders	PAN
First/Sole Shareholder		
1st Joint Holder		
2nd Joint Holder		

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of 1st/Sole Holder

\_\_\_\_\_  
Signature of 1st Jt. Holder

\_\_\_\_\_  
Signature of 2nd Jt. Holder

Encl: Original cancelled cheque leaf/attested bank passbook showing name of a/c holder and copy of self-attested PAN Card(s)



**Kamarhatty Company Limited**

Registered Office : 16A, Brabourne Road, Kolkata-700 001  
Phone No. : 91-33-4021 1900, Fax : 91-33-4021 1999, Email : jute@kamarhatty.com

CIN : L51109WB1977PLC000361

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting Hall)  
(Annual General Meeting – 29th September, 2018)

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, 29th September, 2018 at 11:00 A.M. at the Registered Office of the Company.

Full Name of the member (In BLOCK LETTERS):.....

Folio No.....DP ID No.....Client ID No.....

Full Name of Proxy (In BLOCK LETTERS):.....

Member/Proxy(s) Signature:.....

.....\*\*tear hear\*\*.....

**FORM NO. MGT-11**

**PROXY FORM**

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

CIN : L51109WB1977PLC000361  
Name of the Company : KAMARHATTY COMPANY LIMITED.  
Regd Off. : 16A, BRABOURNE ROAD, KOLKATA -700001

Name of the Members:
Registered Address:
E-Mail Id:
Folio No./Client No.:
DP ID:

I / We, being the member(s) of..... shares of the above Company, hereby appoint.

1 Name:..... Address:.....  
E-Mail Id:..... Signature:..... or failing him

2 Name:..... Address:.....  
E-Mail Id:..... Signature:..... or failing him

3 Name:..... Address:.....  
E-Mail Id:..... Signature:.....

As my our proxy to attend and vote (on a poll) for me/us on my/our behalf at the AGM of the Company, to be held on 29th September, 2018 at 11:00 A. M. at the Registered Office of the Company and at any adjournment thereof in respect of such resolution(s) as are indicated below.

Resolution No.	Resolutions	For	Against
1.	Approval of Balance Sheet, Statement of Profit & Loss, report of the Board of Directors and Auditors for the financial year ended 31st March, 2018		
2.	Appointment of Shri Harsh Nahata (DIN: 02297916), who retires by rotation		
3.	Appointment of Cost Auditor		

Signed this ..... Day of .....2018

Signature of the Shareholder(s).....

Signature of Proxy(s).....



**Notes:** This form of proxy 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.