

**DIRECTORS :**

B. P. AGARWAL (*Chairman & Wholetime Director*)  
G. UKIL  
A. DASGUPTA  
S. Z. HUSSAIN  
S. K. AGARWAL (*Managing Director*)  
H. NAHATA (*Executive Director*)

**CFO :**

P. RAKSHIT

**AUDITORS :**

S. S. KOTHARI & 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 AGENTS :**

M/S. MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGOE LANE, KOLKATA - 700 001  
Phone : 033-2243 5809, Fax : 033-2248 4787  
Email : mdpl@vsnl.net.in

## KAMARHATTY COMPANY LIMITED

Registered Office : 16A, Brabourne Road, Kolkata-700 001

Phone : 91-33-4021 1900 1 Fax : 91-33-4021 1999 1 E-mail : jute@kamarhatty.com

CIN : L51109WB1977PLC000361

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### NOTICE

#### TO THE SHAREHOLDERS

Notice is hereby given that 218th Annual General Meeting of the members of Kamarhatty Company Limited will be held on Saturday, the 23rd day of September, 2017 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, 2017, including the Audited Balance Sheet as on that date, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date and the Reports of the 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.
- 3) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provision of Section 139(1), 141 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Khandelwal Ray & Co., Chartered Accountants (Firm Regn. No. 302035E), be and are hereby appointment as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the members every year in the Annual General Meeting of the respective year, at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

#### SPECIAL BUSINESS

4. 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. 21,000/- (Rupees twenty one thousand) plus applicable taxes and re-imbursement of out of pocket expenses at actuals as approved by the Board of Directors payable to M/s Prasad & Company, 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, 2017 be and is hereby ratified.”

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

Dated : 12th August, 2017

By Order of the  
For Kamarhatty Company Limited

**R. Singh**  
(Company Secretary)

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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 18th September, 2017 to 23rd September, 2017 (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 holdings 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 20th September, 2017 and ends on 22nd September, 2017. During this period members of the company holding shares either in physical form or in Dematerialized form, as on the cutoff date i.e 16th September, 2017 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

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

- (i) The voting period begins on 20th September, 2017 at 9 A.M. and ends on 22nd September, 2017 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 16th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" 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 :

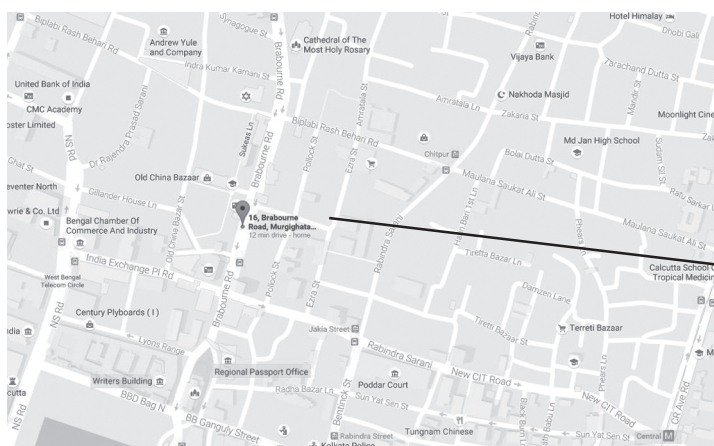
	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p><input type="checkbox"/> Members who have not updated their PAN with the Company/ 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.</p> <p><input type="checkbox"/> 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.</p>
<b>Dividend, Bank Details OR Date of Birth (DBD)</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> <p><input type="checkbox"/> If both the details are not recorded with the depository or Company please enter the Member-ID / Folio Number in the Dividend Bank Account details field as mentioned in above instruction (v).</p>

- (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.
- (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
  - 1 Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 1 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 1 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.
  - 1 The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 1 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. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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 16th September, 2017.
  - 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. 16th September, 2017, 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.
  - 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.

## KAMARHATTY COMPANY LIMITED

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, 2017 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 2017 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 2017 are being sent in the permitted mode.
22. 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-700 001**

## KAMARHATTY COMPANY LIMITED

### 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
Shri Sushant Kumar Agarwal (DIN: 00546541)	02/02/1962	03/01/1987	B.Com.	Industrialist	4	3,70,000	Managing Director

### ITEM NO. 4 (SPECIAL BUSINESS)

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of M/s Prasad & Company, 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 2017-18 at a remuneration of Rs. 21,000/- (Rupees Twenty one 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. 4 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. 4.

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

Dated :- 12th August, 2017

By Order of the Board  
For Kamarhatty Company Limited

**R. Singh**  
(Company Secretary)



**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 2017.

**FINANCIAL RESULTS :**

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

	<b>Current Year</b> <b>31.3.2017</b> <b>(Rs. in lacs)</b>	<b>Previous Year</b> <b>31.3.2016</b> <b>(Rs. in lacs)</b>
Revenue from Operations	17623.46	14545.86
Other Income	585.27	445.73
Profit before Interest, Depreciation & Tax	1007.10	705.05
Less : Finance Cost	322.77	283.91
Less : Depreciation (Net)	329.85	321.62
Profit before Tax	354.48	99.52
Less : Provision for Taxation (Including Minimum Alternate Tax)	22.14	(9.65)
Profit after Tax	332.34	109.17
Add : Balance brought forward from Previous Year	1957.33	1848.16
Less : Transfer to Capital Redemption Reserve	—	—
Balance carried forward to Balance Sheet	2289.67	1957.33

**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 current year.

**OPERATIONS :**

During the year under review, your Company achieved a gross turnover of Rs.17848.36 lacs as against Rs.14771.59 lacs in the previous year, increase of 20.84% as compared to the previous year.

The Saleable Production of Jute goods during the year was 20824 M.T. as compared to 18303 M.T. in the previous year.

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

The industry witnessed a slump in demand of jute sacking bags from the Government agencies as well as in domestic market.

The operations of Paper Division continued smoothly. The Saleable Production during the year has been 4640 M.T as compared to 5918.07 M.T in the previous year.

**PROSPECT :**

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

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.

The price of raw material was unusually high/fluctuating right since the inception. On the other hand the Company did not get the eligible supportive tariff rate from WBSEDCL to recover even its fuel cost.



## KAMARHATTY COMPANY LIMITED

This made the Company financially non-viable and compelled it to shut down its generating unit.

### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard (AS-21) 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. Badri Prasad Agarwal,  | Whole-time Director (DIN: 00041321) |
| c) Mr. Harsh Nahata,          | Whole-time Director (DIN: 02297916) |
| d) Mr Pradip Rakshit,         | Chief Financial Officer             |
| e) Mr. Rajan Singh,           | 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, Shri Sushant Kumar Agarwal (DIN: 00546541), will retire at the forthcoming Annual General Meeting, and being eligible, offers himself for reappointment. Your Board of Directors has recommended his re-appointment.

### **INDEPENDENT DIRECTORS' MEETING :**

During the year under review, the Independent Directors met on February 13, 2017 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.

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

#### **Board Meetings :**

During the year ended 31st March, 2017, 4 (Four) Board Meetings were held i.e. on May 30, 2016, August 13, 2016, November 12, 2016 and February 13, 2017. Attendance of the Directors has been as follows :

Name of the Director	Whether attended the meetings held on			
	30.05.2016	13.08.2016	12.11.2016	13.02.2017
Shri B.P. Agarwal (DIN : 00041321)	YES	YES	YES	YES
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	YES	NO	YES
Shri A. Dasgupta (DIN : 01993187)	YES	NO	YES	YES

## KAMARHATTY COMPANY LIMITED

### 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. R. Singh, 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, 2017 and the attendance of the members is as follows :

Name of the Member of the Audit Committee	Whether attended the meetings held on			
	30.05.2016	13.08.2016	12.11.2016	13.02.2017
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	NO	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 :

#### i) **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, 2017, no Nomination and Remuneration Committee meeting were held.

#### **Remuneration of Directors :**

- (a) The details of remuneration paid to Shri B.P. Agarwal (DIN 00041321), Shri H. Nahata (DIN 02297916) and Shri S.K. Agarwal (DIN 00546541) as Directors during the year ended March 31, 2017 were as follows :

Sl. No.	Name of Directors	Total amount in Gross figure (Rs.)
1.	B.P. Agarwal (DIN 00041321)	11,70,000
2.	S.K. Agarwal (DIN 00546541)	11,23,200
3.	H. Nahata (DIN 02297916)	10,12,000
	<b>Total</b>	<b>33,05,200</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 2016-17 are given below :

Name	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
Shri G. Ukil (DIN 00056595)	32000/-	20000/-	52000/-
Shri A. Dasgupta (DIN 01993187)	24000/-	12000/-	36000/-
Shri Syed Zakir Hussain (DIN 00079558)	32000/-	20000/-	52000/-

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, 2017 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 :**

**i) 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, 2017, no Stakeholders Relationship Committee meetings were held.

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

No. of Shareholders' complaints received during the year 2016-17	Nil
No. of complaints resolved to the satisfaction of Shareholders as on 31st March, 2017	Nil
No. of pending complaints as on 31st March, 2017	Nil

**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, 2017, one Corporate Social Responsibility Committee meeting was held on 30.05.2016, in which all the above Directors were present.

**AUDITORS :**

The Board of Directors of the Company, based on recommendation of the Audit Committee has proposed the appointment of M/s. Khandelwal Ray & Co., Chartered Accountants (Firm Regn. No. 302035E), as the Statutory Auditors of the Company, upon receiving an eligibility letter pursuant to Section 141 of the Act that they are not disqualified, for the block of 5 years i.e. to hold office from the conclusion of ensuing Annual General Meeting of the Company until the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the members in every subsequent Annual General Meeting to be held in aforesaid block of five years.

**AUDITOR'S OBSERVATIONS**

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

**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 :

- That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.

## KAMARHATTY COMPANY LIMITED

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- (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.
- (iv) That the annual accounts for the financial year ending 31st March, 2017, 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, towards Prime Minister’s National Relief Fund, of a sum of Rs.2,15,000 (Rupees Two Lakh Fifteen Thousand only) in the Financial Year ending March 2017 for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women. 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 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 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 Prasad & Company, 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 2017-18 at a remuneration of Rs.21,000/- (Rupees Twenty one thousand only) and service tax at the applicable rate and reimbursement of out of pocket expenses at actuals.

**SECRETARIAL AUDIT**

The Company has appointed M/s Rupa Gupta , Company Secretaries in practice as Secretarial Auditors of the Company to conduct the Secretarial Audit for the financial year ended 31st March, 2017. The Secretarial Audit Report for the financial year ended 31st March, 2017 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.

**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.

**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.

Regd. Office :  
16A, Brabourne Road,  
Kolkata - 700 001  
Dated : 12th August, 2017

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

**On behalf of the Board**  
For Kamarhatty Co. Ltd.  
**B. P. Agarwal**  
*Chairman cum Whole time Director*  
(DIN: 00041321)

**KAMARHATTY COMPANY LIMITED****ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017****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. FORM A****Power & Fuel Consumption :**

	<b>2016-17</b>	<b>2015-16</b>
	<b><u>Current</u></b>	<b><u>Previous</u></b>
	<b><u>Year</u></b>	<b><u>Year</u></b>
<b>1. Electricity :</b>		
a) Purchase Units (Lacs)	<b>127.81</b>	126.37
Total amount (Rs. in lacs)	<b>976.09</b>	968.81
Rate per Unit (Rs.)	<b>7.64</b>	7.66
b) Own Generation through Diesel		
Generator Units (lacs)	<b>0.06</b>	0.16
Unit/ Litre of Diesel Oil	<b>2.04</b>	0.74
Cost per Unit (Rs.)	<b>24.95</b>	39.51
<b>2. Coal :</b>		
B & C Grades used for generation of steam in Boiler Qty. (Tonnes)	<b>3250.00</b>	3470.07
Total Cost (Rs. lacs)	<b>216.68</b>	218.41
Average Rate (Rs. Per MT)	<b>6667</b>	6294
<b>Consumption per Unit of Production</b>		
Production (Tonnes)	<b>JM 20824</b>	JM 18303
	<b>PM 4640</b>	PM 5918.073
Electricity/ MT of Production (Units)	<b>502</b>	558

**B. TECHNICAL ABSORPTION :**

**FORM B**

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, e.g. output improvement, cost reduction, product development, import substitution : Improvement in productivity and quality of products.
3. Details of imported technology : No technology has been imported so far.

**C. FOREIGN EXCHANGE EARNING AND OUTGO :**

- a) Activities relating to export initiative taken increase exports, development of new export market for products and services and export plans. : The Jute division of the Company has made strenuous effort to enter into export market and has been able to procure orders.
- b) Foreign Exchange earned : Details of Foreign Exchange earned are given in Note to the Financial Statements.

Place : Kolkata  
Dated : 12th August, 2017

For and on behalf of the Board  
**B. P. Agarwal**  
Chairman cum Whole time Director  
(DIN 00041321)



## 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, 2017 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 2017.

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 B. P. Agarwal (DIN 00041321)	Wholtime Director & Chairman	4	YES	5	NIL
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	3	YES	1	NIL

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

##### **a) Meeting and Attendance**

During the year under review, four Board Meetings were held on 30/05/2016, 13/08/2016, 12/11/2016 and 13/02/2017.

**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 :
    - 1 Any changes in accounting policies and practices.
    - 1 Major accounting entries based on exercise of judgment by management.
    - 1 Qualifications in draft audit report
    - 1 Significant adjustments arising out of audit
    - 1 The going concern assumption
    - 1 Compliance with accounting standards
    - 1 Compliance with stock exchange and legal requirements concerning financial statements.
    - 1 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. Shri 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, 2017, four Audit Committee Meetings were held on 30/05/2016, 13/08/2016, 12/11/2016 and 13/02/2017.

The attendance of the Directors at Audit Committee Meetings held during the year 2016-17 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	3

## KAMARHATTY COMPANY LIMITED

### 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), Shri 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, 2017, no Nomination & Remuneration Committee Meeting were held.

#### Remuneration of Directors :

- (a) The details of remuneration paid to Shri B. P. Agarwal (DIN 00041321), Shri H. Nahata (DIN 02297916) and Shri S. K. Agarwal (DIN 00546541) as Directors during the year ended March 31, 2017 were as follows :

Sl. No.	Name of Directors	Total amount in Gross figure (Rs.)
1.	B.P. Agarwal (DIN 00041321)	11,70,000
2.	S.K. Agarwal (DIN 00546541)	11,23,200
3.	H. Nahata (DIN 02297916)	10,12,000
	<b>Total</b>	<b>33,05,200</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 2016-17 are given below :

Name	Board Meetings (Rs.)	Committee Meetings (Rs.)	Total (Rs.)
Shri G. Ukil (DIN 00056595)	32,000/-	20,000/-	52,000/-
Shri A. Dasgupta (DIN 01993187)	24,000/-	12,000/-	36,000/-
Shri Syed Zakir Hussain (DIN : 00079558)	32,000/-	20,000/-	52,000/-

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

- (iii) Details of shares of the Company held by Non-Executive Directors as on 31st March, 2017 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 00056595), 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 of the Committee.

During the year ended March 31, 2017, no Stakeholders Relationship Committee were held.

- (iii) Redressal of Stakeholders Grievances are as follows :

No. of Shareholders' complaints received during the year 2016-17	Nil
No. of complaints resolved to the satisfaction of Shareholders as on 31st March, 2017	Nil
No. of pending complaints as on 31st March, 2017	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, 2017, one Corporate Social Responsibility Committee meeting was held on 30.05.2016, in which all the above Directors were present.

## VII. General Body Meetings

- (i) Particulars of the last three AGMs

Year	Venue	Date	Time
2015-2016	16A, Brabourne Road, Kol -1	29.09.2016	11.00 AM
2014-2015	16A, Brabourne Road, Kol -1	28.09.2015	11.00 AM
2013-2014	16A, Brabourne Road, Kol -1	24.09.2014	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 Accounting Standard 18 issued by the Institute of Chartered Accountants of India has been given in Additional Notes to Financial Statements in Note No. 28 to the Financial Statements for 2016-17.

- (ii) Details of non-compliance by the Company, penalties, 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 Echo of India, Kolkata (English) and Aarthik Lipi (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 : 23rd September, 2017  
Time : 11: 00 A.M.  
Venue : 16A, Brabourne Road, Kolkata - 700 001

## KAMARHATTY COMPANY LIMITED

(ii) Financial calendar 2017-2018

The Financial Year of the Company is April to March. Publication of Results for the year 2017-18 will be as follows (tentative) :-

First quarter ending June 30, 2017 (Unaudited)	<b>Mid of the August, 2017</b>
Half year ending September 30, 2017 (Unaudited)	<b>Mid of the November, 2017</b>
Third Quarter ending December 31, 2017 (Unaudited)	<b>Mid of the February, 2018</b>
Year ending March 31, 2018 (Audited)	<b>End of the May, 2018</b>

(iii) Date of Book Closure :

From 18th September, 2017 to 23rd September, 2017 (both days inclusive)

(iv) Dividend Payment date :

The Directors have not recommended any Dividend for the year ended 31st March, 2017.

(v) Listing on Stock Exchanges :

The Company's Equity Shares are listed at :

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

(vi) Market Price Data :

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

<b>Month</b>	<b>CSE</b>	
	<b>High</b>	<b>Low</b>
April 2016	NIL	NIL
May 2016	NIL	NIL
June 2016	NIL	NIL
July 2016	NIL	NIL
August 2016	NIL	NIL
September 2016	NIL	NIL
October 2016	NIL	NIL
November 2016	NIL	NIL
December 2016	NIL	NIL
January 2017	NIL	NIL
February 2017	NIL	NIL
March 2017	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 2248-4787  
E-mail : mdpl@vsnl.net.in

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

## KAMARHATTY COMPANY LIMITED

(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, 2017

(a) Distribution of shareholding :

No of Shares	Shareholders		Shares	
	Number	%	Number	%
Upto 500	764	92.3821	65811	1.1716
501 to 1000	19	2.2975	15129	0.2696
1001 to 2000	3	0.3628	3570	0.0636
2001 to 3000	2	0.2418	4770	0.0849
5001 to 10000	2	0.2418	19000	0.3383
10001 and above	37	4.4740	5508720	98.0723
<b>Total</b>	<b>827</b>	<b>100.0000</b>	<b>5617000</b>	<b>100.0000</b>

# KAMARHATTY COMPANY LIMITED

## (b) Shareholding Pattern as on 31st March 2017

Sl. No.	Category of Shareholder	No. of Shareholders	Total No. of Shares	No. of Shares held in Demat Form	Total Shareholding as a % of Total Shares	
					As a % of (A + B)	As a % of (A+ B + C)
<b>A</b>	Shareholding of Promoter & Promoter Group					
1.	Indian					
a.	Individuals/ Hindu Undivided Family	6	1409470	1409470	25.0929	25.0929
b.	Central / State Government(s)					
c.	Bodies Corporate	8	1719100	NIL	30.6053	30.6053
d.	Financial Institutions / Banks					
e.	Any other (specify)					
	Sub Total (A1)	14	3128570	1409470	55.6982	55.6982
2.	Foreign					
a.	Individuals/ Hindu Undivided Family					
b.	Bodies Corporate					
c.	Financial Institutions / Banks					
d.	Any other (specify)					
	Sub Total (A2)					
	Total Shareholding of Promoter and Promoter Group A(A)(1)+(A)(2)	14	3128570	1409470	55.6982	55.6982
<b>B</b>	Public Shareholding					
1.	Institutions					
a.	Mutual Funds / UTI					
b.	Financial Institutions / Banks	13	4670	180	.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					
	Sub Total (B1)	13	4670	180	.0831	.0831
2.	Non-Institutions					
a.	Bodies Corporate	30	829729	1119	14.7717	14.7717
b.	Individuals Holding					
	i. Nominal share capital upto Rs. 2 lac	758	144881	18946	2.5793	2.5793
	ii. Nominal share capital in excess of Rs. 2 lac	12	1509150	948150	26.8675	26.8675
c.	Any other					
	Sub Total (B2)	800	2483760	968215	44.2186	44.2186
	Total Public Shareholding B=(B)(1)+(B)(2)	813	2488430	968395	44.3018	44.3018
	TOTAL (A) + (B)	827	5617000	2377865	100	100
<b>C.</b>	Shares held by Custodians & against which Depository Receipts have been issued					
	GRAND TOTAL (A)+(B)+(C)	827	5617000	2377865	100	100



(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, 2017, 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 the 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 2017, 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.

Date : 12th August, 2017

**B. P. Agarwal**  
Chairman

**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 2017 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 2017, 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.

Kolkata  
Dated : 12th August, 2017

**For R.B.S.C & Co.**  
*Chartered Accountants*  
**(R. K. Roychodhury)**  
Partner  
**Membership No. 008816**

**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**

During the year the Government maintained the status-quo for compulsory packing of Food Grains at 100% and Sugar at 60% under the Jute Packaging Materials (Compulsory use for Packing Commodities) Act, 1987 (JPMA) , subject to the relaxation of 25%.

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

- Extension of Mandatory Packaging order helping in utilisation of Sacking Capacity.
- The Technology Upgradation Fund Scheme (TUF Scheme) for modernization/expansion upto March, 2007 under the Ministry of Textiles, the Government of India.
- Jute Entrepreneurs Assistance Scheme (JEAS) with NCJD upto 10th Plan Period.

***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.

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

As stated in Note No. 29 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 is running smoothly and helping Company in financial segment.

**d) Outlook**

Opportunity for modernizing the weaving section of the Mill for reduction of manufacturing cost substantially and also of improvement in quality of Jute products.

**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. 17848.36 lacs as against Rs. 14771.59 lacs in the previous year, an increase of 20.84% as compared to the previous year.

During the year under review, the Company achieved a Profit before Tax of Rs. 354.47 lacs as against a Profit before Tax of Rs.99.52 lacs in the previous year a increase of 256.27% 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.

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ANNEXURE – ‘E’

**CEO AND CFO CERTIFICATION**

We, B.P. Agarwal (DIN :00041321), Chairman cum Whole time 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 2016-2017 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 : 12th August, 2017

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

**B. P. Agarwal**  
*Chairman cum Whole time Director*  
(DIN: 00041321)

**KAMARHATTY COMPANY LIMITED****ANNEXURE – 'F'****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2017****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS :**

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 & 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 & contact details of the Registrar & Transfer Agent, if any.	MAHESHWARI DATAMATICS PVT. LTD. 6, MANGOE LANE, 2ND FLOOR KOLKATA - 700 001 PHONE : 91-33-22435029/5809 E-MAIL : mdplc@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contribution 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name & Description of main products / services	NIC Code of the products / services	% to total turnover of the company
1	JUTE PRODUCTS	1,31,139	93.55%
2	PAPER PRODUCTS		6.45%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES :**

Sl. No.	Name & Address of the Company	CIN / GLN	HOLDING SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KAMARHATTY POWER LTD.	U40105WB2005PLC102730	SUBSIDIARY	63.02%	

# KAMARHATTY COMPANY LIMITED

## IV. SHAREHOLDING PATTERN (Equity Shares capital Break up as % to total Equity) :

Category of Shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(1)	Indian									
a)	Individuals / HUF	1409470	—	1409470	25.09	1409470	—	1409470	25.09	
b)	Central Govt. or State Govt.									
c)	Bodies Corporate		1719100	1719100	30.60		1719100	1719100	30.60	
d)	Banks / FI									
e)	Any other									
	<b>SUB TOTAL (A) (1)</b>	1409470	1719100	3128570	55.69	1409470	1719100	3128570	55.69	
(2)	Foreign									
a)	NRI - Individuals									
b)	Other - Individuals									
c)	Bodies Corporate									
d)	Banks / FI									
e)	Any other									
	<b>SUB TOTAL (A) (2)</b>									
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	1409470	1719100	3128570	55.69	1409470	1719100	3128570	55.69	
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>Institutions</b>									
a)	Mutual Funds									
b)	Bank / FI	180	4490	4670	0.08	180	4490	4670	0.08	
c)	Central Govt.									
d)	State Govt.									
e)	Venture Capital Funds									
f)	Insurance Companies									
g)	FIS									
h)	Foreign Venture									
i)	Capital Funds									
j)	Others (specify)									
	<b>SUB TOTAL (B) (1)</b>	180	4490	4670	0.08	180	4490	4670	0.08	
(2)	<b>Non-Institutions</b>									
a)	Bodies Corporates	150	828610	828760	14.75	1119	828610	829729	14.77	0.02
i)	Indian									
ii)	Overseas									
b)	Individual									
i.	Individual shareholders holding nominal share capital upto Rs.2 lakh	3266	74084	77350	1.38	18946	125935	144891	2.58	-1.20
ii.	Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1515150	62500	1577650	28.09	948150	561000	1509150	26.87	1.22
c)	Others (specify)									
	<b>SUB TOTAL (B) (2)</b>	1518566	965194	2483760	44.22	968215	1515545	2483770	44.22	
	<b>Total Public Shareholding B= (B)(1)+(B)(2)</b>	1518746	969684	2488430	44.30	968395	1520035	2488440	44.30	
<b>C.</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>									
	<b>GRAND TOTAL (A+B+C)</b>	2928216	2688784	5617000	100.00	2377865	3239135	5617000	100.00	

# KAMARHATTY COMPANY LIMITED

## (ii) SHARE HOLDING OF PROMOTERS :

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to	No. of shares	% of total shares of the company	% of shares pledged encumbered	
1	TORNADO CONSULTANTS LTD.	835000	14.8656	—	835000	14.8656	—	—
2	ECHOLAC TREXIM LTD.	500000	8.9015	—	500000	8.9015	—	—
3	NIRAMAYA INVESTMENT & DEALERS LTD.	291100	5.1825	—	291100	5.1825	—	—
4	ANNAPURNA COMMERCIAL CO. LTD.	93000	1.6557	—	93000	1.6557	—	—
5	SUSHANT KUMAR AGARWAL	370000	6.59	—	370000	6.59	—	—
6	BADRI PRASAD AGARWAL	588380	10.48	—	588380	10.48	—	—
7	KALPANA AGARWAL	247490	4.4	—	247490	4.4	—	—
8	SHAKUNTALA DEVI AGARWAL	203600	3.62	—	203600	3.62	—	—
	<b>TOTAL</b>	3128570	55.695	0	3128570	55.695	0	—

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) :

There is no change in Promoters shareholding

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & 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	% of total shares of the company	No. of shares	% of total shares of the company
1	MALSISAR CONVERTING MACHINERY P LTD.	550000	9.79	550000	9.79
2	VIRENDRA KUMAR NAHATA	228000	4.06	228000	4.06
3	SWETA AGARWAL	177750	3.16	177750	3.16
4	SARITA AGARWAL	116900	2.08	117560	2.09
5	RISHI NAHATA	100000	1.78	100000	1.78
6	HITESH KUKAR AGARWAL	247000	4.4	247000	4.4
7	DHARMESH KUMAR AGARWAL	206500	3.68	206500	3.68
8	HITESH KUKAR AGARWAL (HUF)	75000	1.34	75000	1.34
9	DHARMESH KUMAR AGARWAL (HUF)	75000	1.34	75000	1.34
10	EXCELLENT MERCHANTS P LTD.	60000	1.07	60000	1.07
	<b>TOTAL</b>				

## (v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	BADRI PRASAD AGARWAL	588380	10.48	588380	10.48
	SUSHANT KUMAR AGARWAL	370000	6.59	370000	6.59
	HARSH NAHATA	208000	3.70	208000	3.70



## KAMARHATTY COMPANY LIMITED

### (v) INDEBTEDNESS

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

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	149174171	82147858	16950077	248272106
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>149174171</b>	<b>82147858</b>	<b>16950077</b>	<b>248272106</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	96315831	1720842	—	98036673
Reduction			332400	332400
<b>Net Change</b>	<b>96315831</b>	<b>1720842</b>	<b>(332400)</b>	<b>97704273</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	245490002	83868700	16617677	345976379
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>245490002</b>	<b>83868700</b>	<b>16617677</b>	<b>345976379</b>

## KAMARHATTY COMPANY LIMITED

### (vi) REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONAL

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

Sl. No.	Particulars of Remuneration (Rs.)	WHOLE TIME DIRECTOR	MANAGING DIRECTOR	EXECUTIVE DIRECTOR	Total Amount (Rs.)
1	<b>Gross Salary</b>	SRI BADRI PRASAD AGARWAL	SRI SUSHANT KR. AGARWAL	SRI HARSH NAHATA	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	11,70,000	11,23,200	10,12,000	3305200
	(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, 1961	—	—	—	—
2	Stock option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit others (specify)	—	—	—	—
5	Others, please specify	—	—	—	—
	<b>Total (A) Ceiling as per the Act</b>	11,70,000	11,23,200	10,12,000	33,05,200

## KAMARHATTY COMPANY LIMITED

### B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	SRI GAUTAM UKIL	SRI SYED ZAKIR HUSSAIN	SRI ASHIS DAS GUPTA	
	(a) Fee for attending board committee meetings	52,000	52,000	36,000	1,40,000
	(b) Commission				
	(c) Others, please specify				
	<b>Total (1)</b>	52,000	52,000	36,000	1,40,000
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>	52,000	52,000	36,000	1,40,000
	<b>Total Managerial Remuneration Overall Ceiling as per the Act</b>				32,92,800

## KAMARHATTY COMPANY LIMITED

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount (Rs.)
1	<b>Gross Salary</b>	SRI PRADIP RAKSHIT C F O	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,34,046	6,34,046
	(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</b>	6,34,046	6,34,046

**KAMARHATTY COMPANY LIMITED****D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>	<b>Total Amount (Rs.)</b>
1	<b>Gross Salary</b>	SRI RAJAN SINGH <b>Company Secretary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3,44,500	3,44,500
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0
	(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>	3,44,500	3,44,500

**(vii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

NONE

**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 2016-2017.
--

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 son of Shri Badri Prasad Agarwal, Chairman cum Whote time Director
	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	Shri 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. 5000/- 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. 46,82,732/-
	Date of approval by the Board	13.02.2017
	Amount paid as advances, if any	NIL



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**ANNEXURE – 'H'**

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[ 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 - 700 001

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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) 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;
- (v) The Company operates in Jute products and compliances are made with the applicable regulatory authorities and guidelines laid down by them.

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

- (i) 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.

## KAMARHATTY COMPANY LIMITED

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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 : 12th August, 2017

**For RUPA GUPTA**

*Practicing Company Secretary*

**Rupa Gupta**

Proprietor

**C.P. No. 11691**

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.

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ANNEXURE – ‘A’

To  
The Members,  
**Kamarhatty Co. Limited**  
16A, Brabourne Road  
Kolkata - 700 001

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 be 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 : 12th August, 2017

**For RUPA GUPTA**  
*Practicing Company Secretary*  
**(Rupa Gupta)**  
Proprietor  
**C.P. No. 11691**

# 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 2013-14, 2014-15 and 2015-16	Prescribed CSR budget (2% Average Net profit for F.Y 2013-14, 2014-15 and 2015-16)	Actual CSR spent in F.Y. 2016-17	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.10581322	Rs. 211626	Rs.215000	Nil	Programme/ Project-I Contribution towards Prime Minister's National Relief Fund	Contribution towards Prime Minister's National Relief Fund for socio-economic development and relief and welfare of the Scheduled castes, the Scheduled Tribes, other backward classes, minorities and women.	Through Prime Minister National Relief Fund

Place : Kolkata  
Dated : 30th May, 2016

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

**INDEPENDENT AUDITORS' REPORT**

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**TO THE MEMBERS OF  
THE KAMARHATTY COMPANY LIMITED****Report on the Financial Statements**

1. We have audited the accompanying Standalone financial statements of Kamarhatty Co. Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 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 financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 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 financial statements.

**Matter of Emphasis**

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

**Basis of Qualification**

- (1) Liability on account of gratuity and leave Encashment payable to employees on retirement as on 31st March, 2017 has neither been provided in the accounts nor ascertained. This is not in compliance of AS-15 (Revised).
- (2) The Company has made investment of Rs. 378.11 lacs and has outstanding loan balance of Rs. 79.52 lacs with its subsidiary company generating biomass electricity in the plant at Burdwan. 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 earlier year for non payment of loan and interest thereon. The subsidiary company had repaid Rs. 917.99 lacs

## KAMARHATTY COMPANY LIMITED

(Net) to the company. As the amount is being recovered at this stage it is not ascertainable how much loan and investment are likely to be realised ultimately.

### Qualified Opinion

8. 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, 2017, 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, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as 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 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 purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except AS 15 & AS 11
  - (e) On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) Our report on adequacy of the Internal Financial Control over financial reporting of company and operating effectiveness of such control has been stated in Annexure B.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i) The Company has disclosed the impact of pending litigations as at March 31, 2017 in its financial statement. Refer Note No.
    - ii) The Company has made neither long term contract nor any derivative contracts.
    - iii) The Company has no amount required to be transferred, to the Investor Education and Protection Fund during the year ended March 31, 2017.
    - iv) The company has provided requisite disclosure in the financial statement as to the holding as well as dealing in Specified Bank notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation, we report that the disclosure are in accordance with the books of account maintained by the company as produced to us by the management (Refer Note 31)

**For S.S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Regn. No. 302034E**  
**(R. K. Roy Chaudhury)**  
*(Partner)*  
Membership No. 008816

Place : Kolkata  
Dated : 27th May, 2017

**ANNEXURE A TO THE AUDITORS' REPORT**

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As referred to in paragraph I of our Report on "Other Legal and Regulatory Requirements", we state that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management during the year according to a programme designed to cover all items over a period of one years. No material discrepancies have been noticed on such verification.
- (c) Title Deeds of immovable properties have been mortgaged with the Bank. As per information and explanation given to us and records examined by us, Title deed of the immovable properties are in the name of the Company.
- ii. (a) In our opinion and according to information and explanation given to us the inventory of finished goods, processed stock and raw material, 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 the 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 account.
- 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 or other parties covered in the Register maintained under Sec. 189 of Companies Act, 2013.
- (b) There is no stipulation with regard to repayment of loan which is payable on demand.
- (c) 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. However the company has not given any loan and made any investment during the year. The company has complied with the provision of Section 185 & Section 186 of Companies Act with respect to loans and investment made by company in the earlier year.
- v. The Company has accepted from the members and also from their relatives deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Necessary procedures as given in the said Section has yet to be complied.
- vi. The Central Government has prescribed maintenance of cost records 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 account maintained by the Company in respect of manufacture 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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. There are no arrear outstanding statutory dues as at the last day of the financial year for a period of more than six months from the day they became payable.

## KAMARHATTY COMPANY LIMITED

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

Name of Statute	Nature of dues	Amount* (Rs.)	Period to which it relates (Financial Year)	Forum where dispute is pending
INCOME TAX ACT 1961	INCOME TAX	33,81,509/-	2011-2012	Commissioner of Income Tax (Appeals), Kolkata
	INCOME TAX	66,98,622/-	2012-2013	Commissioner of Income Tax (Appeals), Kolkata
	INCOME TAX	92,73,507/-	2013-2014	Commissioner of Income Tax (Appeals), Kolkata
Finance Act, 1994 and Service Tax law	Service Tax	4,90,546	2006-2007 to 2009-2010	Commissioner (Appeals), Kolkata
	Service Tax	61,61,080	2010-2011 to 2014-2015	Principal Commissioner, Kolkata
Central Sales Tax Act and W.B. Sales Tax Act and W.B. Vat Act, 2003	Sales Tax	1,39,03,187	1995-96	Appellate & Revisional Board
		1,33,95,759	1997-98	
		1,79,28,672	1998-99	
		62,17,237	1999-00	
		22,83,384	2004-05	
		13,29,537	2007-08	
		1,78,16,102*	2008-09	
		43,52,015	2009-10	
		1,56,03,852	2010-11	
		3,56,85,029	2011-12	
		1,41,73,342	2012-2013	Appellate Forum Appellate Forum A & R Board
		1,14,86,162	2013-2014	
Employees Provident Fund & Misc. Provision Act, 1952	Damages	33,21,000	1998-2000	Central Board of Trustees, New Delhi
Employees State Insurance Act, 1948	Contribution, Interest & Damages	4,68,82,000	1981-2003	Hon'ble High Court Kolkata

Note : \* It has been settled under SOD scheme but pending before A & R Board, W.B.

- viii. According to the information and explanation given to us and on the basis of records examined by us we are of the opinion that the company has not defaulted in repayments of dues to Bank. The Company has not taken loan from financial institution, govt and raised money through issue of Debenture.
- ix. According to the records of the Company examined by us and the information and explanations given to us, in our opinion the term loan taken by the company has been applied for the purpose for which they were obtained. During the year the company has not raised money by way of Initial Public Offer or Further Public Offer.



## KAMARHATTY COMPANY LIMITED

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- 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, 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 paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 where applicable 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 S. S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Regn. No. 302034E**

**(R. K. Roy Chaudhury)**  
*(Partner)*

**Membership No. 008816**

Place : Kolkata  
Dated : 27th May, 2017

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

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

We have audited the internal financial controls over financial reporting of Kamarhatty Company Ltd ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

Centre Point  
21, Old Court House Street  
Kolkata-700 001

Place : Kolkata  
Dated : 27th May, 2017

**For S.S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Regn. No. 302034E**

**(R. K. Roy Chaudhury)**  
*(Partner)*  
**Membership No. 008816**

**KAMARHATTY COMPANY LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Fund</b>			
a) Share Capital	2	56170000	56170000
b) Reserves and Surplus	3	307190346	271852039
		<b>363360346</b>	<b>328022039</b>
<b>2. Non Current Liabilities</b>			
a) Long Term Borrowings	4	211635439	134888891
b) Deferred Tax Liabilities (Net)	5	1165457	930402
c) Long Term Provisions	6	—	—
		<b>212800896</b>	<b>135819293</b>
<b>3. Current Liabilities</b>			
a) Short Term Borrowings	7	93989985	92883641
b) Trade Payables	8	335691847	360884785
c) Other Current Liabilities	9	128919728	82568355
d) Short Term Provisions	10	49094006	41437157
		<b>607695566</b>	<b>577773938</b>
		<b>1183856808</b>	<b>1041615270</b>
<b>I. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	11	390136734	380769617
ii) Intangible Assets	12	317717	217378
iii) Capital work in progress		88053909	13920608
		<b>478508360</b>	<b>394907603</b>
b) Non Current Investments	13	38097850	38097850
c) Long Term Loans and Advances	14	—	—
		<b>516606210</b>	<b>433005453</b>
<b>2) Current Assets</b>			
a) Inventories	15	405569613	324359801
b) Trade Receivables	16	147089994	150079983
c) Cash & Cash Equivalents	17	12788925	20254525
d) Short Term Loans and Advances	18	101802066	113915508
		<b>667250598</b>	<b>608609817</b>
<b>TOTAL</b>		<b>1183856808</b>	<b>1041615270</b>

**Significant Accounting Policies and  
Notes to the Financial Statements** 1

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 S.S. Kothari & CO.**

*Chartered Accountants*

(Registration No. 302034E)

**R. K. Roychowdhury**

*(Partner)*

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

**KAMARHATTY COMPANY LIMITED**

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

	Note	31st March, 2017 Rs.	31st March, 2016 Rs.
<b>I. INCOME</b>			
Revenue from operations (Gross)		1784836684	1477159992
Less : Cess duty		22491189	22573054
Revenue from operations (net)	19	1762345495	1454586938
Other Income	20	58527087	44573912
Total Revenue		1820872582	1499160850
<b>II. EXPENSES</b>			
Cost of Materials Consumed	21	1046144068	975047504
Purchases of Finished and Semi Finished goods		63318494	69472707
Change in inventories of finished goods and Stock in process	22	(30285636)	(156635510)
Employee benefit expenses	23	372541103	293745569
Finance Costs	24	32277027	28391443
Depreciation and amortisation expense	25	32985448	32161513
Other Expenses	26	268444231	247026003
Total Expenses		1785424735	1489209229
<b>III. Profit before Tax</b>		35447847	9951621
<b>IV. Less : Tax Expense :</b>			
– Current tax		7229191	—
– Minimum Alternative Tax Credit Entitlement		(5250325)	(1896281)
– Deferred Tax Liability		235055	930402
		2213921	(965879)
<b>V. Profit after tax for the year</b>		33233926	10917500
<b>VI. Earnings per Equity Share</b> (nominal value of share Rs. 10/- each)			
Basic and Diluted	27	5.92	1.94

**Significant Accounting Policies and Notes to the Financial Statements** 1

The accompanying Notes 1 to 31 are an integral part of the Financial Statements.

As per our report of even date

**For S.S. Kothari & CO.**

Chartered Accountants  
(Registration No. 302034E)

**R. K. Roychowdhury**  
(Partner)

Membership No. 008816  
Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

# KAMARHATTY COMPANY LIMITED

## Cash Flow Statement for the Year ended 31st March, 2017 as per the Listing Agreement

	For the year ended 31st March, 2017 Rs.		For the year ended 31st March, 2016 Rs.	
<b>A Cash Flow from Operating Activities :</b>				
Net Profit before Tax & extraordinary items		35447847		9951621
Adjustment for :				
Depreciation	32985448		32161513	
Finance cost	32277027		28391443	
Sundry Balance written back	—		(362740)	
Interest income	(1051728)		(2635434)	
Loss on sale of fixed assets	—		257041	
Bad Debts Written Off	1373644		—	
Profit on Sale of Assets	(2521897)	63062494	(1982081)	55829742
<b>Operating Profit before Working Capital Changes</b>		<b>98510341</b>		<b>65781363</b>
Adjustment for :				
Trade & other receivables	22078696		9442549	
Trade payable, Other Current Liabilities and Provisions	21158435		190065949	
Inventories	(80782154)	(37545023)	(177035711)	22472787
<b>Cash generated from operations</b>		<b>60965318</b>		<b>88254150</b>
Direct Taxes Paid		(3098584)		(2568543)
<b>Net Cash Generated from Operating Activities</b>		<b>57866734</b>		<b>85685607</b>
<b>B. Cash Flow from Investing Activities :</b>				
Capital Work in progress	(84083148)		(7812451)	
Purchase of Fixed Assets	(36939002)		(40697616)	
Proceeds from Sale of Assets- Net of VAT	2845000		2240476	
Interest Received	1051728		2635434	
Redemption of Preference share capital	—		—	
<b>Net Cash used in Investing Activities</b>		<b>(117125422)</b>		<b>(43634157)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Short Term Borrowings	1106344		17833682	
Proceeds from Long Term Borrowings	76746548		(36501533)	
Interest paid	(32277027)		(28391443)	
Capital Subsidy received	6217223		5266402	
<b>Net Cash (used) / generated from Financing Activities</b>		<b>51793088</b>		<b>(41792892)</b>
Net Increase/(decrease) in Cash & Cash equivalents		<b>(7465600)</b>		<b>258558</b>
Cash & Cash equivalents – Opening balance		<b>20254525</b>		<b>19995967</b>
Cash & Cash equivalents – Closing balance		<b>12788925</b>		<b>20254525</b>

Notes : The above Cash Flow Statement has been prepared under the 'Indirect Method as set out in Accounting Standard - 3' issued by the 'Institute of Chartered Accountants of India'.

As per our report of even date

**For S. S. KOTHARI & CO.**

Chartered Accountants

(Registration No. 302034E)

**R. K. Roychowdhury**

(Partner)

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

## NOTES TO THE FINANCIAL STATEMENTS

**1. SIGNIFICANT ACCOUNTING POLICIES****a. General**

- i) The financial statements have been prepared on the historical cost basis except revaluation of fixed Asset and on the principle of going concern and comply with the Accounting standards, as applicable, issued by the Institute of Chartered Accountants of India referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rule 2014.
- ii) Accounting policies, unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**b. Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on mercantile basis.

**c. Income**

- i) Sales include Cess Duty, Excise Duty, Education Cess and discount, returns, claims etc. are excluded there from.
- ii) Sales on consignment are accounted for on the basis of pro forma invoice raised.
- iii) Claims are accounted for on acceptance / ascertainment of the same.

**d. Tangible and Intangible Fixed Assets**

- i) Fixed Assets are stated at their original cost / revalued cost. Depreciation is provided on straight-line method at the rates determined on the basis of effective life of the assets specified in Schedule - II to the Companies Act, 2013.
- ii) Depreciation is charged on Original Cost.

**e. Investments**

Long-term investments are stated at cost less diminution in value except temporary in nature if any. Current investments are valued at or lower than cost as the case may be.

**f. Retirement Benefits**

- i) Liability for employees as on 31st March, 2000 has been ascertained on the basis of actuarial valuation. The accrued liability on account of gratuity payable to the employees as on 31st March, 2017 has neither been ascertained nor been provided for in accounts. Also liability in respect of employees who have retired till 31.03.2017, has neither been ascertained nor provided in the accounts. The same will be 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.

**g. Inventories**

Inventories are valued at lower of the cost and net realizable value. In respect of Jute division Cost of raw materials and stores & spares, are valued at cost on weighted average basis. Whereas in case of Paper division cost of raw material is valued on annual weighted average basis and stores & spares are computed on monthly average basis. For both the units in respect of finished goods stock is valued at lower of cost and market rate. Process stock, is valued at estimated cost, which represent direct material and appropriate portion of direct labour and manufacturing overheads. Cess duty on finished goods lying at the factory is provided and included in valuation of finished goods stock.

**h. Foreign Exchange Transaction**

The difference in translation and realized gains and losses on Foreign Exchange transactions other than those relating to the fixed assets are recognized in the Profit & Loss Account under respective head of accounts. Gains or Losses in respect of liabilities incurred for acquisition of fixed assets are adjusted in the carrying cost of such assets.

**i. Taxation on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. 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.

**j. Provisions and Contingent Liabilities**

Contingent liabilities are not provided for and are disclosed by way of notes.

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

		As at 31.03.2017		As at 31.03.2016	
		No of Shares	Rs.	No of Shares	Rs.
<b>2. SHARE CAPITAL</b>					
<b>AUTHORISED</b>					
60,00,000	(31-03-2016 – 60,00,000) Equity shares of Rs.10/- each		60000000		60000000
1,00,000	(31-03-2016 – 1,00,000) Preference Shares of Rs. 100/- each		10000000		10000000
			<b>70000000</b>		<b>70000000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>					
56,17,000	(31-03-2016 – 56,17,000) Equity Shares of Rs. 10/- each		56170000		56170000
			<b>56170000</b>		<b>56170000</b>
a) Reconciliation of number of shares					
Equity Shares					
	Balance as at the beginning and end of the year	5617000	56170000	56,17,000	56170000
b) Details of shareholders holding more than 5 percent of equity shares :					
		<b>No. of shares held</b>	<b>% of Holding</b>	<b>No. of shares held</b>	<b>% of Holding</b>
i)	Tornado Consultants Ltd.	8,35,000	14.87	8,35,000	14.87
ii)	Malsisar Converting Machinery Pvt Ltd.	5,50,000	9.79	5,50,000	9.79
iii)	Echolac Trexim Ltd.	5,00,000	8.90	5,00,000	8.90
iv)	Niramaya Investment & Dealers Ltd.	2,91,100	5.18	2,91,100	5.18
v)	Sri Badri Prasad Agarwal	5,88,380	10.47	5,88,380	10.47
vi)	Sri Sushant Kumar Agarwal	3,70,000	6.59	3,70,000	6.59
c) Rights attached to each class of share capital					
<b>i) Ordinary shares of Rs. 10 each</b>					
i)	The Company has only one class of Equity shares having a face value of Rs. 10 per share				
ii)	Each shareholder is eligible for one vote per share held.				
iii)	In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
iv)	The Board has not proposed any dividend for the year				



**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>3. RESERVES AND SURPLUS</b>		
<b>A. REVALUATION RESERVE</b>		
At Commencement of the year	<b>24101873</b>	26816868
Less : Adjustment on account of foreign exchange difference on account of buyers credit from bank in the FY-2012-13 for Capital expenditure	<b>—</b>	(2714995)
	<b>24101873</b>	<b>24101873</b>
<b>B. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>		
As Per last Balance Sheet	<b>195733321</b>	184815821
Add : Profit for the year	<b>33233926</b>	10917500
Balance as at the end of the year	<b>228967247</b>	195733321
<b>C. SECURITIES PREMIUM ACCOUNT</b>	<b>20400000</b>	20400000
<b>D. CAPITAL REDEMPTION RESERVE</b>	<b>4000000</b>	4000000
<b>E. CAPITAL RESERVE</b>		
CAPITAL SUBSIDY	<b>27616845</b>	24230287
Add : during the year	<b>6217223</b>	5266402
Less : Transfer to Statement of Profit and Loss account as reduction from depreciation	<b>(4112842)</b>	(1879844)
	<b>29721226</b>	27616845
Total	<b>307190346</b>	271852039
<b>4. LONG TERM BORROWINGS</b>		
<b>I. SECURED LOANS</b>		
(i) TERM LOAN		
a From Banks (Refer note (i), (ii) & (iii) below	<b>150801622</b>	54586620
b (i) CAR LOAN	<b>698395</b>	1703910
<b>II. UNSECURED LOANS</b>		
a Loan from Others	<b>83868700</b>	82147858
b Deposits from Others	<b>16617677</b>	16950077
Total (I + II)	<b>251986394</b>	155388465
Less : Current Maturities of Long Term Borrowings and disclosed under the head Other Current Liabilities (Note No. 9) :-		
Secured Loan		
From Bank	<b>39652560</b>	18795664
from Others	<b>698395</b>	1703910
TOTAL	<b>211635439</b>	134888891

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

i) Nature of Security and term of repayment for Term Loan (including current maturities of Long term Borrowing)

Nature of Security	Term of Repayment
i Term loan from Allahabad Bank amounting to Rs. 3,87,04,284/- (31.3.2016 – Rs. NIL) are secured by hypothecation of fixed assets financed by the Term Loan.	Repayable in 20 quarterly instalments beginning from September 2017 along with interest of BR+3.00 % p.a.
ii Term loan from Allahabad Bank amounting to Rs.2,97,68,270/- (31.3.2016 – Rs.5,26,14,755/-) are secured by hypothecation of fixed assets financed by the Term Loan.	Repayable in 16 quarterly instalments beginning from December' 2014 along with interest of BR+3.00 % p.a.
iii ICICI Bank Loan against security of a property of Directors Rs. 8,23,29,068/- (31.03.2016 – Rs. NIL).	Repayable in equated monthly instalments in 5 years from November 2016 onwards.

	As on 01.04.2016 Rs.	increase / (decrease)	As on 31.03.2017 Rs.
<b>5. DEFERRED TAX</b>			
Deferred Tax Liabilities :			
a) On account of difference in book and tax depreciaton	9,30,402	2,35,055	11,65,457
Deferred Tax Assets :			
b) On account of difference in book and tax depreciation taken to the extent of balance in DTL account	—	—	—
Deferred Tax (Assets) / Liabilities (net)	9,30,402	2,35,055	11,65,457

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>6. LONG TERM PROVISIONS</b>		
Provisions for Gratuity	—	—
	—	—
<b>7. SHORT TERM BORROWINGS</b>		
Secured		
Cash Credit from Allahabad Bank	93989985	92883641
Refer note (a)		
<b>TOTAL</b>	<b>93989985</b>	<b>92883641</b>

Notes :-

- a) Cash Credit from Bank amounting to Rs. 9,39,89,985/- (31.3.2016 - Rs. 9,28,83,641/-) are secured by exclusive hypothecation of Stock-in trade, Loans & Advances, Stores and Book debts of the Company both present and future and by way of a first charge over the entire immovable / movable fixed assets of the Company and the personal guarantee of two of the Directors of the Company.

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>As on 31.03.2017 Rs.</b>	<b>As on 31.03.2016 Rs</b>
<b>8. TRADE PAYABLES</b>		
a) Due to Micro, small and medium Enterprises [Note (a)]	—	—
b) Others [including cheque over issued Rs. 54,43,315/-, P.Y. Rs. 25,66,539/-]	<b>335691847</b>	360884785
TOTAL	<b>335691847</b>	360884785
<u>Note - (a)</u>		
a. There are no Micro, Small and medium enterprises to whom the Company owes dues, which are outstanding for more than 45 days as on 31.03.2017		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term debt (also refe Note 4)	<b>40350955</b>	20499574
Advance received from Customers	<b>4047746</b>	270571
Statutory dues	<b>35694052</b>	23539072
Electricity dues	<b>25394977</b>	12694778
Others	<b>22225698</b>	24358060
Unclaimed Preference share holders account on A/c of Redemption	<b>1206300</b>	1206300
TOTAL	<b>128919728</b>	82568355
<b>10. SHORT TERM PROVISIONS</b>		
Cess / Excise Duty on Stock	<b>2333442</b>	2342778
Provision for Income Tax	<b>46760564</b>	39094379
TOTAL	<b>49094006</b>	41437157

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

**11. TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2016	Addition during the Year	Sales/Disposal during the Year	As on 31.03.2017	As on 01.04.2016	For the Year	Adjust- ment for Disposals	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND (FREE HOLD)	16496584	—	45000	<b>16451584</b>	—	—	—	—	<b>16451584</b>	16496584
BUILDING	96099986	9949848	—	<b>106049834</b>	39301104	1397272	—	<b>40698376</b>	<b>65351458</b>	56798882
PLANT & MACHINERY	509711362	35677502	412500	<b>544976364</b>	247177193	27978099	371250	<b>274784042</b>	<b>270192322</b>	262534169
COGENERATION	30437552	—	—	<b>30437552</b>	18672628	2892158	—	<b>21564786</b>	<b>8872766</b>	11764924
COMPUTER	5057581	532600	—	<b>5590181</b>	3817420	657217	—	<b>4474637</b>	<b>1115544</b>	1240161
ELECTRIC INSTALLATION	34291815	—	—	<b>34291815</b>	15345823	2117274	—	<b>17463097</b>	<b>16828718</b>	18945992
TUBEWELL & WATER SUPPLY	1538726	—	—	<b>1538726</b>	764681	—	—	<b>764681</b>	<b>774045</b>	774045
FURNITURE FIXTURE & OTHER OFFICE EQUIPMENTS	12423189	528900	—	<b>12952089</b>	6833503	651413	—	<b>7484916</b>	<b>5467173</b>	5589686
MOTOR VEHICLES	14205364	—	1102574	<b>13102790</b>	7580190	1305196	865720	<b>8019666</b>	<b>5083124</b>	6625174
<b>TOTAL</b>	<b>720262159</b>	<b>46688850</b>	<b>1560074</b>	<b>765390935</b>	<b>339492542</b>	<b>36998629</b>	<b>1236970</b>	<b>375254201</b>	<b>390136734</b>	<b>380769617</b>
PREVIOUS YEAR	565270468	156992584	2000893	720262159	306987719	33990280	1485457	339492542		
CAPITAL WORK IN PROGRESS	13920608	84083149	9949848	88053909	—	—	—	—	88053909	13920608
									478190643	394690225

# KAMARHATTY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

TOTAL	853444844
OF WHICH	
CWIP - JUTE	5035631
CWIP - LINYARN	83018278
Fixed Assets	765390935

- NOTE :**
1. Amount added on Revaluation as on 30.06.1985 (Net after adjustment on account of Sales of respective assets, Land Rs. 1,60,26,449/- . Building Rs. 2,59,39,592/- and Plant & Machinery Rs. 4,02,29,107/-).
  2. Motor vehicles include Rs. 14,28,878/- acquired in Financing Scheme under EMI
  3. 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.
  4. CWIP from Previous year includes 19 NO GODOWN - Rs. 88,84,977/- and during the year Rs.10.64.871/- both capitalised during the year.

## 12. INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2016	Addition during the Year	Sales/Disposal during the Year	As on 31.03.2017	As on 01.04.2016	For the Year	Adjust- ment for Disposals	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	3326023	200000	—	3526023	3108645	99661	—	3208306	317717	217378
TOTAL	3326023	200000	—	3526023	3108645	99661	—	3208306	317717	217378
TOTAL (11+12)	723588182	46888850	1560074	768916958	342601187	37098290	1236970	378462507	390454451	380986995
PREVIOUS YEAR	568596491	156992584	2000893	723588182	310045287	34041357	1485457	342601187	380986995	258551204

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>No. of Shares/ Debenture</b>	<b>Face Value per Share</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>13. NON CURRENT INVESTMENTS</b>				
<b>a) TRADE INVESTMENTS</b>				
UNQUOTED – AT COST				
Investment in Subsidiary				
KAMARHATTY POWER LIMITED (Equity Shares of Rs.10/- each fully paid up)	25,20,750	10	<b>37811250</b>	37811250
<b>b) OTHER INVESTMENTS</b>				
UNQUOTED – AT COST				
YATAN TRADE LINK (P) LTD (Equity Shares of Rs.10/- each fully paid up)	1250	10	<b>250000</b>	250000
Kamarhatty Jute Mill Employees. Consumers Co-Op. Stores Ltd. B' Class Redeemable shares of Rs. 10 each	250	10	<b>2500</b>	2500
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd.) 1/2% Debenture	71	100	<b>7100</b>	7100
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd.) Non redeemable 5% Debentures Stock 1957			<b>26000</b>	26000
7 Years National Saving Certificates (Deposited with Govt. Department)			<b>1000</b>	1000
<b>TOTAL</b>			<b>38097850</b>	38097850
Aggregate amount of Unquoted Investments			<b>38097850</b>	38097850

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
Loan to Employees	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>
<b>15. INVENTORIES</b>		
(Valued at lower of Cost and Net realizable value)		
Raw Materials	<b>82284223</b>	36834282
Finished goods [Includes in transit Rs. 54,18,166/-, Previous year Rs. NIL)	<b>250599282</b>	204956916
Stock-in-Process	<b>41031928</b>	55961000
Stores and spares parts	<b>27801653</b>	22591292
Coal	<b>3852527</b>	4016311
<b>TOTAL</b>	<b>405569613</b>	<b>324359801</b>
<b>16. TRADE RECEIVABLES</b>		
Unsecured, considered good		
outstanding for a period exceeding six months		
Considered good	—	—
Considered doubtful	—	—
Other Trade Receivables	<b>147089994</b>	150079983
<b>TOTAL</b>	<b>147089994</b>	<b>150079983</b>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash balance on hand	<b>1015654</b>	3087921
Balance with Scheduled Banks :		
in Current Account	<b>1679769</b>	2014638
on L/C Margin Account		
in Fixed Deposits	<b>10049467</b>	15025438
in Current Account	<b>44035</b>	126528
<b>TOTAL</b>	<b>12788925</b>	<b>20254525</b>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
a) Loans and Advances to Related Parties [Note No. 28(e)]	<b>8235229</b>	3519792
b) Deposits	<b>2625301</b>	1242213
c) Other Loans and Advances		
i Loans to Employees	<b>514393</b>	572079
ii Balance with Statutory / Government Authorities	<b>2650999</b>	2663113
iii Advance to Suppliers	<b>8932415</b>	33707610
iv Advances recoverable in cash or in kind or for value to be received	<b>15569151</b>	17204770
v Mat Credit Entitlement	<b>10015367</b>	4765042
vi Advance payment against taxes	<b>53259211</b>	50240889
<b>TOTAL</b>	<b>101802066</b>	113915508
	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>19. REVENUE FROM OPERATIONS</b>		
Details of Products Sold		
<u>Particulars</u>		
Jute Goods	<b>1537243662</b>	1215258780
Fine Yarn Unit	<b>111593757</b>	87646337
Kraft Paper	<b>113508076</b>	151681821
	<b>1762345495</b>	1454586938
<b>20. OTHER INCOME</b>		
Interest on Deposits	<b>1051728</b>	2635434
(Tax deducted at source Rs. 1,03,788/- Previous Year - Rs. 1,59,733/-)		
Rent (Gross) :	<b>26670316</b>	22518692
(Tax deducted at source Rs. 2652015/- Previous Year - Rs. 23,01,634/-)		
Profit on Sale of Fixed Assets	<b>2521896</b>	1982081
Processing Charges received	<b>8516843</b>	6104603
Handling Charges Received	<b>3905608</b>	2579756
Interest Subsidy Received	<b>1594796</b>	362740
Insurance Claim	<b>92047</b>	—
Miscellaneous Income	<b>11441024</b>	6418110
Sale of Scrap	<b>450839</b>	767400
Export Duty Drawback	<b>2281990</b>	1205096
	<b>58527087</b>	44573912



**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>21. COST OF MATERIALS CONSUMED</b>		
Details of Principal Raw material Consumed		
Raw Jute	<b>927742124</b>	853179402
Flax consume	<b>3942885</b>	—
Waste paper	<b>64303611</b>	78041096
Jute Batching Oil	<b>22033800</b>	17114725
Packing Material	<b>7453083</b>	7566953
Dye Material / Pulping Material	<b>20668565</b>	19145328
	<b>1046144068</b>	975047504

	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>22. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS</b>		
OPENING STOCK :		
Finished Goods	<b>204956916</b>	68997313
Stock-in-process	<b>55961000</b>	33980750
Total A	<b>260917916</b>	102978063
Less :		
CLOSING STOCK :		
Finished Goods	<b>250599282</b>	204956916
Stock-in-process	<b>41031928</b>	55961000
Total B	<b>291631210</b>	260917916
A-B	<b>(30713294)</b>	(157939853)
Less : Cess Duty Provision on Inventory :		
ON CLOSING STOCK	<b>2770436</b>	2342778
ON OPENING STOCK	<b>2342778</b>	1038435
<b>Increase in stock</b>	<b>(30285636)</b>	(156635510)

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>23. EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages and Bonus	<b>324500891</b>	258137416
Gratuity	<b>15978070</b>	7727681
Contribution to Provident Fund & Other Funds	<b>31181440</b>	26680798
Staff Welfare	<b>880702</b>	1199674
<b>TOTAL</b>	<b>372541103</b>	293745569
<b>24. FINANCIAL COST</b>		
a) Interest to Bank	<b>21315599</b>	17061343
b) Interest - Others	<b>10961428</b>	11330100
<b>TOTAL</b>	<b>32277027</b>	28391443
<b>25. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	<b>36998629</b>	33990280
Depreciation on Intangible Assets	<b>99661</b>	51077
	<b>37098290</b>	34041357
Less : Transferred from Revaluation Reserve	—	—
Less : Transferred from Capital Reserve	<b>4112842</b>	1879844
<b>TOTAL</b>	<b>32985448</b>	32161513

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	31.03.2017 Rs.	31.03.2016 Rs.
<b>26. OTHER EXPENSES</b>		
Stores and spares consumed	28061951	25681971
Power and Fuel	119804543	121689851
Repair to Building	2351218	1852473
Repair to Plant and Machinery	28613364	20418377
Repair to Others	5201280	5846100
Branding and Processing charges	11437437	6820067
Brokerage and Commission	9399643	12769613
Transport Charges	6883305	3427517
Advertisement	71604	95514
Bank charges	3865216	2426426
Conveyance	437220	400856
Coolie and Cartage	31520	9260
Electric charges	887248	1039740
Filing Fees	30333	37900
Listing Fees	28625	28090
Hire Charges	142299	154534
Legal Expenses	277985	501655
Motor Car Expenses	1968698	1988275
Office Maintenance	1458066	1569769
Postage & Telegram	307393	98279
Printing & Stationery	1050862	919916
Subscription	1149410	1465073
Telephone Expenses	1249028	1228957
Travelling Expenses	3750026	505080
Loss on Car Sale	—	257041
Security Charges	1620921	1579182
Rates & Taxes	3835434	3655011
Rent	468000	468000
Insurance Charges	1288274	2744830
Bad Debts written off	1373644	—
Miscellaneous Expenses	23754175	19899831
CSR Expenditure	215000	—
Auditors' Remuneration (note a)	99730	84270
Directors' Remuneration	3305200	3300200
Director Fees	140000	144000
Professional Fees	3885579	3918345
<b>TOTAL</b>	<b>268444231</b>	<b>247026003</b>

Note (a)

Details of Payment to Auditor

**As Auditor**

Audit Fees	69000	67416
Tax Audit	17250	16854

**Other Capacity**

Certification	13480	0
	<b>99730</b>	<b>84270</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	31.03.2017	31.03.2016
	Rs.	Rs.
<b>27. EARNING PER SHARE (EPS)</b>		
Profit after tax	33233926	10917500
Less : Preference dividend (including tax thereon)	—	—
Net Profit for Calculation of Basic and Diluted EPS (A)	33233926	10917500
Weighted average number of shares outstanding (B) of Rs. 10/- each.	5617000	5617000
Basic and Diluted Earning per share	5.92	1.94

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>28. ADDITIONAL NOTES TO FINANCIAL STATEMENTS</b>		
a) Contingent Liability not provided for in respect of		
(i) Bank Guarantee – Subsidiary	Nil	518000
Others	<b>38615104</b>	37100000
(ii) Demand of different Statutory authorities pending appeal	<b>212566440</b>	214938218

- 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. 41,28,046/- for the period upto June 2004 has become refundable to the Company in terms of direction of the Hon'ble Commission dated 26<sup>th</sup> 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 made investment of Rs. 378.11 lacs and advanced loan of Rs. 936.95 lacs to its subsidiary Company generating Biomass electricity in the Plant at Burdwan. The possession of Fixed Assets including current assets of generating plant of the subsidiary Company has been taken over by Financial Institution (WBIDC) for non payment of loan and interest thereon and the subsidiary Company has no access to the premises of the Plant. However the Subsidiary Company has since received Rs. 788.00 lakhs from the WBSEC and refunded the Loan of Rs. 788.00 lakhs to the Company. As the subsidiary Company has filed a suit for recovery of interest on the outstanding balance of eligible dues from WBSEDCL to whom the entire Power were sold and is likely to succeed the low investment at this stage is considered good.

## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

e) **Related Party Disclosures :**

Related Party Disclosures as required by Accounting Standard – 18, 'Related Party Disclosure' are given below :

## a) List of Related Parties.

## i) Parties where control exists.

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
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 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 Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
f) Malsisar Converting Machinery Pvt. 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 Directors are interested as Director.

## ii) Key Management Personnel :-

Shri B. P. Agarwal, Chairman cum Whole time Director

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, Shri B. P. Agarwal, Smt. Kalpana Agarwal, Shri S. K. Agarwal (HUF), Shri B. P. 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 :

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Rs.</b>	<b>Rs.</b>
B. P. Agarwal	<b>11,70,000</b>	11,70,000
S. K. Agarwal	<b>11,23,200</b>	11,23,200
H. Nahata	<b>10,12,000</b>	10,07,000
R. Singh	<b>3,44,500</b>	3,25,000
<b>Total</b>	<b>36,49,700</b>	<b>36,25,200</b>

**KAMARHATTY COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

ii) Unsecured loan taken from directors and their Relatives :

	31-03-2017		31-03-2016	
Name of the person	Loan Taken Rs.	Outstanding Rs.	Loan Taken Rs.	Outstanding Rs.
Shri S. K. Agarwal	2845310	2335000	500000	760000
Shri H. K. Agarwal	1072877	2190000	250000	1545000
Shri D. K. Agarwal	3439750	5550000	675000	4630000
Shri B. P. Agarwal	1238420	120000	725000	75000
Smt. Sakuntala Devi Agarwal	1093798	3470000	150000	2780000
Smt. Kalpana Agarwal	1223685	2886600	400000	2285000
Shri B. P. Agarwal (HUF)	851040	3120000	685000	2625000
Shri S. K. Agarwal (HUF)	1064043	4735000	950000	4285000
Shri Ramesh Kr. Agarwal (HUF)	2307264	2350000	250000	1350000
Smt. Sweta Agarwal	340071	1090000	225000	1060000
Smt. Paridhi Agarwal	50394	125000	—	750000
Smt. Udisha Agarwal	1115563	2445000	550000	1580000
Smt. Sarita Agarwal	842013	3165000	350000	2815000
Smt. Priti Agarwal	121500	1021500	200000	900000
Shri Rajendra Kr. Bansal	5400	300400	—	295000
Shri Hitesh Kr. Agarwal (HUF)	749822	3690000	690000	3390000
Shri Jagdish Prasad Bansal (HUF)	—	90000	—	90000
J. P. Bansal Family Trust	13500	513500	—	500000
Smt. Hema Bansal	56700	2286700	—	2230000
Shri Dharmesh Kumar Agarwal (HUF)	1060300	865000	810000	1600000
Shri Ramesh Agarwal	2746606	1550000	350000	1350000
Smt. Sejal Agarwal	1082823	1625000	650000	650000

- iii) Malsisar Converting Machinery Pvt. Ltd. : Loan refunded to the Company – Rs. 50.51 lacs  
(Balances outstanding as on 31.3.17 – Rs. 297.72 lacs)
- iv) Kamarhatty Power Ltd. : Balances outstanding as on 31.03.2017  
(subsidiary Company) Rs. 79.51 lacs
- v) Hemp Trading Pvt. Ltd. : Loan taken from the Company during the Financial  
Year 2014-15 amounting to Rs. 431.41 lacs (Balance  
outstanding as on 31.03.2017 – Rs. 4.95 lacs)
- vi) Tornado Consultants Ltd. : Balance outstanding as on 31.03.2017 Rs. 51,500/-  
(P.Y. Rs. 1,90,000)

f)	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value Rs.	%	Value Rs.	%
(i) <b>C.I.F. Value of Imports :</b>				
Capital Goods (Capitalised Rs. 23417977/- during the year)	74813311	22.49	36240172	24.61
Raw Materials	267602209	77.51	109071400	74.07
Finished goods & Semi finished goods	Nil	—	1924465	1.32
	<b>342415520</b>	<b>100</b>	<b>147236037</b>	<b>100</b>

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value Rs.	%	Value Rs.	%
(ii) <b>Earnings in Foreign Currency</b>				
FOB Value of Exports	56735492	—	24246707	—
(iii) <b>Raw Materials Consumption</b>				
Imported (Raw Material)	267602209	25.76	109071400	11.19
Indigenous (Raw Material)	778541859	74.24	865976104	88.81
	<u>1046144068</u>	<u>100.00</u>	<u>975047504</u>	<u>100.00</u>
(iv) <b>Value of Stores &amp; Spares consumed :</b>				
Indigenous (100%) (including labour charges)	<u>64227813</u>	<u>100.00</u>	<u>53798921</u>	<u>100.00</u>

**KAMARHATTY COMPANY LIMITED**
**29 SEGMENT REPORTING - Primary Segment information (Business Segment)**

	<b>Jute 2016-2017</b>	<b>Paper 2016-2017</b>	<b>Elimination 2016-2017</b>	<b>Total 2016-2017 Rs.</b>	<b>Jute 2015-2016</b>	<b>Paper 2015-2016</b>	<b>Elimination 2015-2016</b>	<b>Total 2015-2016 Rs.</b>
<b>A. Revenue :</b>								
External Sales	1648837419	113508076	—	1762345495	1302905117	151681821	—	1454586938
Inter-Segment Sales	—	—	—	—	—	—	—	—
<b>Total Revenue</b>	1648837419	113508076	—	1762345495	1302905117	151681821	—	1454586938
<b>B. Results :</b>								
Segment Result	58259727	(12720909)	—	45538818	31592493	(9564640)	—	22027853
Unallocated Corporate income net of un-allocated Corporate expenses				18612432				11697696
Profit before interest, etc and taxation				64151250				33725549
Interest expense (net of Interest Income)				(31225299)				(25756009)
Profit on Sale of Fixed Assets				2521896				1982081
Tax expenses				(2213921)				965879
<b>Profit after Tax</b>				33233926				10917500
<b>C. Other Information :</b>								
Segment Assets	1048347637	92350947	(12556271)	1128142313	862545581	94328026	(9453042)	947420565
Unallocated Corporate assets				89669794				91471516
<b>Total Assets</b>				1217812107				1038892081
Segment Liabilities	579387802	63082877	(12556271)	629914408	533518307	51769622	(9453042)	575834887
Unallocated Corporate Liabilities				224537353				135035155
<b>Total Liabilities</b>				854451761				710870042
<b>Capital Expenditure</b>	46230936	129014	—	46359950	31770148	7736187	—	39506335
Unallocated Capital Expenditure				528900				1191281
<b>Depreciation</b>	27255573	1532551	—	28788124	26543525	1760631	—	28304156
Unallocated Depreciation				4197354				3857357

30. Previous Year figures have been re-arranged and / or regrouped wherever considered necessary.



**KAMARHATTY COMPANY LIMITED**

31. The details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016 are provided in the table below :

	<b>SBNs**</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on 8th November 2016	5307500	1320115	6627615
(+) Permitted receipts	NIL	162805	162805
(-) Permitted payments	(19000)	(1641571)	(1660571)
(-) Amount deposited in Banks	(5288500)	(NIL)	(5288500)
(+) Amount withdrawn from bank	NIL	440000	440000
Closing cash in hand as on 30th December 2016	NIL	281349	281349

\* Amount is below the rounding off norm adopted by the Company

\*\* Specified Bank Notes (SBNs) mean the bank notes of denomination of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no S.O.3407(E), dated the 8th November, 2016.

Signature to Notes '1' to '31' forming part of the Balance Sheet and Statement of Profit and Loss.

**For S. S. KOTHARI & CO.**

*Chartered Accountants*

(Registration No. 302034E)

**R. K. Roychowdhury**

*Partner.*

**Membership No. 008816**

Kolkata, the 27th day of May, 2017.

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

**B. P. Agarwal**  
*Wholetime Director*

**P. Rakshit**  
*CFO*

**R. Singh**  
*CS*

BLANK

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## **REPORT & ACCOUNTS OF SUBSIDIARY COMPANY**

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## KAMARHATTY POWER LIMITED

Registered Office :  
16A, Brabourne Road, Kolkata - 700 001  
CIN : U40105WB2005PLC102730

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### NOTICE

Notice is hereby given that Annual General Meeting of the members of **Kamarhatty Power Limited** will be held on Saturday, the 23rd day of September, 2017 at 02:00 P.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 Financial Statements of the company for the year ended 31st March, 2017, the Reports of Board of the Directors and Auditors thereon.
2. To appoint a Directors in place of Shri Badri Prasad Agarwal (DIN : 00041321), and Shri Lalit Kumar Jain (DIN : 00433511), who retires by rotation and being eligible, offers themselves for reappointment.
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to provision of Section 139(1), 141 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, M/s. Khandelwal Ray & Co., Chartered Accountants (Firm Regn. No. 302035E), be and are hereby appointment as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the members every year in the Annual General Meeting of the respective year, at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.”

Place : Kolkata  
Dated : 12th August, 2017

By Orders of the Board of Directors  
For Kamarhatty Power Limited  
**Badri Prasad Agarwal**  
(Director)  
DIN : 00041321

#### 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.

**DIRECTORS' REPORT**

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 31.03.2017.

**1. FINANCIAL RESULTS**

<b>Particulars</b>	<b>Amount (Rs. In lacs) 31.03.2017</b>	<b>Amount (Rs. In lacs) 31.03.2016</b>
Profit/ (Loss) before Depreciation & Tax	<b>(47.45)</b>	767.47
Less : Depreciation & Amortisation	—	—
Less : Provision for Income Tax Deferred Tax	—	—
<b>Profit/ (Loss) after Tax</b>	<b>(47.45)</b>	767.47

**2. STATE OF COMPANY'S AFFAIRS**

Your Company during the year 2016-17 under review has a Loss of Rs. (47.45) Lacs in comparison to previous year 2015-16, Net Profit of Rs. 767.47 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 there under. 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, 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.

## KAMARHATTY POWER LIMITED

### 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

In pursuance of selection 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 :

- 1 in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- 1 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;
- 1 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;
- 1 the Directors had prepared the annual accounts on a going concern basis; and
- 1 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. STATUTORY AUDITORS

The Board of Directors of the Company, has proposed the appointment of M/s. Khandelwal Ray & Co., Chartered Accountants (Firm Regn. No. 302035E), as the Statutory Auditors of the Company, upon receiving an eligibility letter pursuant to Section 141 of the Act that they are not disqualified, for the block of 5 years i.e. to hold office from the conclusion of ensuing Annual General Meeting of the Company until the conclusion of the Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the members in every subsequent Annual General Meeting to be held in aforesaid block of five years.

### 16. AUDITOR'S OBSERVATIONS

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

### 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.

### 18. BOARD MEETINGS

During the year ended 31st March, 2017, 4 (Four) Board Meetings were held i.e. on May 30, 2016, August 13, 2016, November 12, 2016 and February 13, 2017. Attendance of the Directors has been as follows:

Name of the Director	Whether attended the meetings held on			
	30.05.2016	13.08.2016	12.11.2016	13.02.2017
Shri B.P. Agarwal	YES	YES	YES	YES
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	NO	YES	YES
Shri L.K. Jain	YES	NO	YES	NO
Shri S.K. Nathany	YES	YES	NO	NO

**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 there under.

During the year, the Company has not received any complain 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 provision 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. ACKNOWLEDGMENT**

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

By order of the Board of Directors  
For Kamarhatty Power Limited

Place : Kolkata

Dated : 12th August, 2017

**(Badri Prasad Agarwal)**

*Director*

**DIN : 00041321**

**(Sushant Kumar Agarwal)**

*Director*

**DIN : 00546541**

**KAMARHATTY POWER LIMITED****ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017****ANNEXURE – 1****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017 OF****KAMARHATTY POWER LIMITED**

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

**I. REGISTRATION AND OTHER DETAILS :**

- i) **CIN** : U40105WB2005PLC02730
- ii) **Registration Date** : 12/04/2005
- iii) **Name of the Company** : Kamarhatty Power Limited
- iv) **Category of the Company** : Company Limited by Shares
- v) **Address of the Registered Office and contact details** : 16A, Brabourne Road  
Kolkata - 700 001, West Bengal  
Contact No. 033-40211917  
e-mail ID : power@kamarhatty.com
- vi) **Whether listed Company** : No
- vii) **Name, Address and contact details of Registrar & Transfer Agents (RTA)** : Nil

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/	NIC Code of the Product / Service	% to total turnover of the Company
1.	N.A	N.A	N.A

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - (Not Applicable)**

Sl. No.	Name and Address of the 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 Shares Capital Breakup as percentage of Total Equity) :**
**(i) Category-wise Share Holding**

Category of Shareholder		Number of Shares held at the April 01, 2016				Number of Shares held at the March 31, 2017				% change over Previous Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
a)	Individuals / HUF	—	—	—	—	—	—	—	—	—
b)	Central Government	—	—	—	—	—	—	—	—	—
c)	State Government	—	—	—	—	—	—	—	—	—
d)	Bodies Corporate(s)	—	38,80,500	38,80,500	97.01	—	38,80,500	38,80,500	97.01	—
e)	Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
f)	Any other (HUF)	—	—	—	—	—	—	—	—	—
	<b>SUB TOTAL (A) (1)</b>	—	<b>38,80,500</b>	<b>38,80,500</b>	<b>97.01</b>	—	<b>38,80,500</b>	<b>38,80,500</b>	<b>97.01</b>	—
<b>2.</b>	<b>Foreign</b>									
a)	NRIs - Individuals	—	—	—	—	—	—	—	—	—
b)	Other - Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corporate	—	—	—	—	—	—	—	—	—
d)	Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
e)	Any other	—	—	—	—	—	—	—	—	—
	<b>SUB TOTAL (A) (2)</b>									
	<b>Total Shareholding of Promoter [ (A)(1)+(A)(2) ]</b>	—	<b>38,80,500</b>	<b>38,80,500</b>	<b>97.01</b>	—	<b>38,80,500</b>	<b>38,80,500</b>	<b>97.01</b>	—
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1)</b>	<b>Institutions</b>									
a)	Mutual Funds	—	—	—	—	—	—	—	—	—
b)	Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
c)	Central Govt.	—	—	—	—	—	—	—	—	—
d)	State Govt.	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FII	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
j)	Others (specify)	—	—	—	—	—	—	—	—	—
	<b>SUB TOTAL (B) (1)</b>									
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corporate	—	—	—	—	—	—	—	—	—
i)	Indian	—	—	—	—	—	—	—	—	—
ii)	Overseas	—	—	—	—	—	—	—	—	—
b)	Individual									
i.	Individual shareholders holding nominal share capital upto INR Rs.1 lakh	—	31,500	31,500	0.78%	—	31,500	31,500	0.78%	—
ii.	Individual shareholders holding nominal share capital in excess of INR Rs.1 lakh	—	88,000	88,000	2.2%	—	88,000	88,000	2.2%	—
c)	Others	—	—	—	—	—	—	—	—	—
	<b>SUB TOTAL (B) (2)</b>	—	<b>1,19,500</b>	<b>1,19,500</b>	<b>2.98%</b>	—	<b>1,19,500</b>	<b>1,19,500</b>	<b>2.98%</b>	—
	<b>Total Public Shareholding [(B)(1)+(B)(2)]</b>	—	<b>1,19,500</b>	<b>1,19,500</b>	<b>2.98%</b>	—	<b>1,19,500</b>	<b>1,19,500</b>	<b>2.98%</b>	—
<b>C.</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>									
	<b>GRAND TOTAL (A+B+C)</b>	—	<b>40,00,000</b>	<b>40,00,000</b>	<b>100.00%</b>	—	<b>40,00,000</b>	<b>40,00,000</b>	<b>100.00%</b>	—

# KAMARHATTY POWER LIMITED

## IV. SHAREHOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity) :

### (ii) Shareholding of Promoters and Promter Group :

NAME OF THE PROMOTER	Number of Shares held at the April 01, 2016			Number of Shares held at the March 31, 2017			% change over Previous Year
	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	% of Shares Pledged to Total	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	% of Shares Pledged to Total	
Kamarhatty Company Limited	25,20,750	63.02%	—	25,20,750	63.02%	—	0.00
Trend Vyapar Limited	13,59,750	33.99%	—	13,59,750	33.99%	—	0.00
<b>TOTAL</b>	<b>38,80,500</b>	<b>97.01%</b>	<b>—</b>	<b>38,80,500</b>	<b>97.01%</b>	<b>—</b>	<b>0.00</b>

### (iii) Change Shareholding of Promoters :

NAME OF THE PROMOTER	Number of Shares held as at April 01, 2016		Number of Shares held as at March 31, 2017		% change in Holding During the Year
	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	
N. A					
<b>TOTAL</b>	<b>00</b>	<b>00</b>	<b>—</b>	<b>00</b>	<b>0.00%</b>

### (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 and ADRs) :

NAME OF THE SHAREHOLDER	Number of Shares held as at April 01, 2016		Number of Shares held as at March 31, 2017		% change in Holding During the Year
	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	No. of Shares (In Units) Each of FV 10/-	% of Total Shares of the Company	
1. Mahendra Kumar Jain	5,000	0.125	5,000	0.125	N. A
2. Dharmesh Agarwal	9,500	0.24	9,500	0.24	
3. Badri Prasad Agarwal (HUF)	4,500	0.11	4,500	0.11	
4. Kalpana Agarwal		18,000	0.45	18,000	0.45
<b>TOTAL</b>	<b>37,000</b>	<b>0.93</b>	<b>37,000</b>	<b>0.93</b>	

### (v) Shareholding of Directors and Key Management Personnel :

NAME OF THE SHAREHOLDER	Number of Shares held as at April 01, 2016		Number of Shares held as at March 31, 2017		% change in Holding During the Year
	No. of Shares (In Units) Each of FV 10/-	% of Total Shares	No. of Shares (In Units) Each of FV 10/-	% of Total Shares	
Badri Prasad Agarwal	35,750	0.89%	35,750	0.89%	
Sushant Kumar Agarwal	34,250	0.86%	34,250	0.86%	
Lalit Kumar Jain		7,500	0.18%	7,500	0.18%
Shiv Kumar Nathany	5,000	0.13%	5,000	0.13%	
<b>TOTAL</b>	<b>82,500</b>	<b>2.06</b>	<b>7,500</b>	<b>2.06</b>	

## KAMARHATTY POWER LIMITED

### IV. SHAREHOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity) :

#### (vi) INDEBTEDNESS : Indebtedness of the Company including interest outstanding/accrued but not due for payment

Name of the Promoter	Secured Loan (excluding) deposit)	Un-secured Loan	Deposit (Under section 73(2) of Companies	Total Indebtedness (in INR)
<b>Indebtedness as at April 01, 2016</b>				
i) Principal Amount	—	21905464	—	21905464
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i + ii + iii)</b>	—	21905464	—	21905464
<b>Change in Indebtedness during the year</b>				
i) Addition(s)	—	4682732	—	4682732
- Interest due but not paid	—	—	—	—
- Interest accrued but not due	—	—	—	—
ii) Reduction(s)	—	4682732	—	4682732
<b>Net Change (i + ii)</b>	—	—	—	—
<b>Indebtedness as at March 31, 2017</b>				
i) Principal Amount	—	26588196	—	26588196
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i + ii + iii)</b>	—	26588196	—	26588196

#### (vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### (A) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of the Directors	Total Amount (INR)
1.	Gross Salary		
	(a) Salary as per provisions in section 17(1) of the Income-tax Act, 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.	Common - as % of profit - others	— —	— —
5.	Others Annual Incentive	—	—
6.	<b>Total (A)</b>	—	—
7.	Celling as per the Act	—	—

# KAMARHATTY POWER LIMITED

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

### (B) Remuneration to other Directors

#### 1. Independent Director :

Particulars of Remuneration	Name of the Directors(s)	Total
Fee for attending Board / Committee meetings	—	—
Commission	—	—
Others : Annual Incentive	—	—
<b>Total (B) (1)</b>	—	—

#### 2. Non-Executive Director :

Particulars of Remuneration	Name of the Directors(s)	Total
Fee for attending Board / Committee meetings	Gautam Ukil	6,000
	Syed Zakir Hussain	6,000
	Ashis Dasgupta	4,500
Commission	—	—
Others, please specify	—	—
<b>Total (B) (2)</b>	—	16,500
<b>Total (B) (2)</b>		
<b>Total (B) = (B)(1) + (B)(2)</b>	—	—
Total Managerial Remuneration		
Overall Ceiling as per the Act		

### (C) Remuneration to Key Management Personnel other than MD / Manager / WTD :

None

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

TYPE	Section of the Companies Act	Brief Description Punishment Compounding fees imposed	Details of Penalties / COURT)	Authority (RD / NCLT / any	Appeal mode, if
<b>A COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B DIRECTOR</b>					
Penalty					
Punishment					
Compounding					
<b>C OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**KAMARHATTY POWER LIMITED**

**ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017**

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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 2016-2017.
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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 Sailent terms of the contracts or arrangements or	Not Applicable
	transaction including the value, if any	Rs. 46,82,732/-
	Date of approval by the Board	13.02.2017
	Amount paid as advances, if any	NIL

**KAMARHATTY POWER LIMITED****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	(112813224)
6.	Total assets	213934
7.	Total Liabilities	213934
8.	Investments	—
9.	Turnover	—
10.	Profit before taxation	(4744865)
11.	Provision for taxation	—
12.	Profit after taxation	(4744865)
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. Share 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.

**INDEPENDENT AUDITORS' REPORT**

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**TO THE MEMBERS OF  
THE KAMARHATTY POWER LIMITED**

1. We have audited the accompanying financial statement of the KAMARHATTY POWER LTD ("the Company") which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities, selection and application of appropriate accounting policies making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating 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 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 financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us except (a) & (b) under basis of qualification the financial statements give the information required by the Companies Act, in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

1. In the case of the Balance Sheet of the State of affairs of the Company as at 31.03.2017.
2. In the case of Statement of Profit & Loss, of the Loss for the year ended on that date.
3. In the case of the Cash Flow statement, of the Cash Flows of the Company for the year ended on that date.

## KAMARHATTY POWER LIMITED

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### Report on Other Legal and Regulatory Requirements

1. 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 (hereinafter referred to as 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.
2. As required by Section – 143 (3) of the Act, we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts 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 & Loss and the Cash Flow Statement dealt with by this Report are in Agreement with the Books of Accounts.
  - d) In our opinion the aforesaid financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014.
  - e) On the basis of the written representation received from the Directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) Our report on adequacy of the internal financial control over financing report of the company and operating effectiveness of such control has been stated in Annexure B.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Accounts) Rule 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 pending litigations as at 31st March 2017 in its financial statements.
    - ii) The Company has made neither long term contract nor any derivative contract.
    - iii) The Company has no amount required to be transferred to the Investors Education and Protection Fund during the year ended 31st March, 2017.
    - iv) As stated by the management, no Specified Bank Notes (SBN) were in the possession of the Company during the period from 8th November to 30th December 2016.

**For S.S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Registration No. 302034E**

**R. K. Roychowdhury**  
*(Partner)*  
**Membership No. 008816**

Place : Kolkata  
Dated : 27th day of May, 2017.



**ANNEXURE 'A' TO THE AUDITORS' REPORT**

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**Annexure referred to in paragraph 3 of our report of even date**

- (i) The Company has no fixed assets as on 31.03.2017 (Refer note no. 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.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 has 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).
- (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 S.S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Registration No. 302034E**

**R. K. Roychowdhury**  
*(Partner)*  
**Membership No. 008816**

Place : Kolkata  
Dated : 27th day of May, 2017

**KAMARHATTY POWER LIMITED**  
**ANNEXURE B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **Kamarhatty Power Ltd.** ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

Centre Point  
21, Old Court House Street  
Kolkata-700 001

Place : Kolkata  
Dated : 27th May, 2017

**For S.S. KOTHARI & CO.**  
*Chartered Accountants*  
**Firm Regn. No. 302034E**

**(R. K. Roy Chaudhury)**  
*(Partner)*

**Membership No. 008816**

**KAMARHATTY POWER LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

	NOTE	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Fund</b>			
a) Share Capital	2	40000000	40000000
b) Reserves and Surplus	3	(112813224)	(108068359)
		(72813224)	(68068359)
<b>2. Non Current Liabilities</b>			
a) Long Term Borrowings	4	26588196	21905464
		26588196	21905464
<b>3. Current Liabilities</b>			
a) Other Current Liabilities	5	46375248	46300798
d) Short Term Provisions	6	63714	63714
		46438962	46364512
		213934	201617
<b>II. Assets</b>			
<b>Current Assets</b>			
a) Cash & Cash Equivalents	7	52861	40544
b) Short Term Loans and Advance	8	161073	161073
		213934	201617
TOTAL		213934	201617

**Significant Accounting Policies and  
Notes on Financial Statements**

1

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 S. S. KOTHARI & CO.**

*Chartered Accountants*

(Registration No. 302034E)

**R. K. Roychowdhury**

*(Partner)*

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**B. P. Agarwal**

**S. K. Agarwal**

*Director*

**KAMARHATTY POWER LIMITED**

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

	NOTE	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>I. INCOME</b>			
Other Income	9	—	82394755
Total Revenue		—	82394755
<b>II. EXPENSES</b>			
Finance Costs	10	—	609409
Other expenses	11	4744865	5038078
Total Expenses		4744865	5647487
<b>III. PROFIT / (LOSS) before Tax</b>		(4744865)	76747268
<b>IV. Tax Expense :</b>			
– Current Tax		—	—
– Deferred Tax / (Reversal)		—	—
Profit / (Loss) after Tax		(4744865)	76747268
<b>VI. Earning Per Equity Share</b>			
(nominal value of share Rs. 10/- each)			
Basic and Diluted	12	(1.19)	19.19

**Significant Accounting Policies and  
Notes on Financial Statements**

1

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 S. S. KOTHARI & CO.**

*Chartered Accountants*

(Registration No. 302034E)

**R. K. Roychowdhury**

*(Partner)*

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**B. P. Agarwal**

**S. K. Agarwal**

*Director*

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

	<b>No. of Shares</b>	<b>As at 31.03.2017 Rs.</b>	<b>No. of Shares</b>	<b>As at 31.03.2016 Rs.</b>
<b>2. SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
40,00,000 Equity Shares of Rs. 10/- each		<b>40000000</b>		40000000
		<b>40000000</b>		40000000
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
40,00,000 Equity Shares of Rs. 10 each fully paid up. out of the above shares 2520750 no. of shares are held by Kamarhatty Company Ltd., the Holding Company		<b>40000000</b>		40000000
<b>TOTAL</b>		<b>40000000</b>		40000000
<b>a) Reconciliation of number of shares</b>				
<b>Equity shares</b>				
Balance as at the beginning and end of the year		<b>40000000</b>		40000000
<b>Preference Shares</b>				
Balance as at the beginning and end of the year		—		—
			<b>No. of Shares held</b>	<b>% of Holding</b>
<b>b) Details of shareholders holding more than 5 percent of equity shares :</b>				
i) Kamarhatty Company Ltd.		<b>2520750</b>		63.00
ii) Trend Vyapar Limited		<b>1359750</b>		34.00
<b>c) Rights attached to each class of share Capital</b>				
I. <u>Ordinary Shares of Rs. 10 each</u>				
i) The Company has only one class of Equity shares having a face value of Rs. 10 per share				
ii) Each shareholder is eligible for one vote per share held.				
iii) In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
iv) The Board has not proposed any dividend for the year				
<b>3. RESERVES AND SURPLUS</b>				
<b>A. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet		<b>(127818359)</b>		(204565627)
<b>Add : Profit for the year</b>		<b>(4744865)</b>		76747268
<b>Balance as at the end of the year</b>		<b>(132563224)</b>		(127818359)
<b>B. SECURITIES PREMIUM ACCOUNT</b>		<b>19750000</b>		19750000
<b>C. CAPITAL RESERVE</b>				
CAPITAL SUBSIDY (NOTE-3)		—		2435868
Add : Received during the year		—		—
Less : Adjusted during the year		—		2435868
Less : Transfer to Statement of Profit and Loss account as reduction from depreciation		—		—
<b>TOTAL</b>		<b>(112813224)</b>		(108068359)

**KAMARHATTY POWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENT (CONTD.)**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>4. LONG TERM BORROWINGS</b>		
Unsecured Loans		
A. From Others (including Rs. 7951946 from holding Co.)	<b>26588196</b>	21905464
<b>TOTAL</b>	<b>26588196</b>	21905464
i) No term for repayment has been stipulated for unsecured loan		
<b>5. OTHER CURRENT LIABILITIES</b>		
Statutory dues	<b>27950</b>	—
Others (Note - 2 & 3)	<b>46337298</b>	46300798
<b>TOTAL</b>	<b>46375248</b>	46300798
<b>6. SHORT TERM PROVISIONS</b>		
Provision for FBT	<b>63714</b>	63714
<b>TOTAL</b>	<b>63714</b>	63714
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash Balance on hand	<b>1602</b>	896
Balance with Scheduled Banks :		
in Current Account	<b>51259</b>	39648
<b>TOTAL</b>	<b>52861</b>	40544

**KAMARHATTY POWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	<b>As at 31st March, 2017 Rs.</b>	<b>As at 31st March, 2016 Rs.</b>
<b>8. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
a. Other Loans and Advances		
i) Advances recoverable in cash or in kind or for value to be received	<b>14042</b>	14042
ii) Advance payment against taxes	<b>147031</b>	147031
<b>TOTAL</b>	<b>161073</b>	161073
<b>9. OTHER INCOME</b>		
Differential tariff as per the Hon'ble Supreme Court Order. (Note-2)	—	81818419
Interest on deposit (Gross) : (Tax deducted at source Rs. Nil/- Previous Year Rs. 5086/-)	—	156044
Sundry Balance written back	—	420292
<b>TOTAL</b>	—	82394755
<b>10. FINANCIAL COST</b>		
a) Interest on Loan	—	607560
b) Interest others	—	1849
<b>TOTAL</b>	—	609409



**KAMARHATTY POWER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
<b>11. OTHER EXPENSES</b>		
Bank Charges	355	2438
Conveyance	94	115
Filing fees	26900	1800
Printing & Stationery	400	227
Travelling Expenses	—	14046
Rates & Taxes	1600	13407
Conference Charges	77461	—
Miscellaneous Expenses	75004	548
Auditors' Remuneration (note a)	11500	11500
Director Fees	16500	18000
Professional Fees	4535051	4975997
	<u>4744865</u>	<u>5038078</u>
Note (a)		
<u>Details of Payment to Auditor</u>		
<b>As Auditor</b>		
Audit fees	11500	11500
	<u>11500</u>	<u>11500</u>
<b>12. EARNINGS PER SHARE (EPS)</b>		
Profit after tax	(4744865)	76747268
Less : Preference dividend (including tax thereon)	—	—
Net Profit for calculaton of Basic and Diluted EPS (A)	(4744865)	76747268
Weighted average number of shares outstanding of Rs. 10/- each. (B)	4000000	4000000
Basic and Diluted Earning per share A/B	(1.19)	19.19

## KAMARHATTY POWER LIMITED

### SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2017

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#### NOTES - 1

##### A. 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 as detailed below and on the principle of going concern.

##### **Revenue Recognition**

All expenses and incomes are considered on accrual basis, unless specifically stated to be otherwise.

##### **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.

##### **Contingent Liabilities**

Contingent liabilities are not provided for in the accounts and are separately shown in the notes to the accounts, if any.

##### B. NOTES ON ACCOUNTS

###### 1) Related Party Disclosures

It is required by Accounting Standard-18, "Related Party Disclosure" are given below

###### a) **Key management Personal :**

Shri B. P. Agarwal – Chairman cum whole time director

Shri S. K. Agarwal – Managing Director

###### b) **Name of the related Parties :**

1) Shri B.P. Agarwal

2) Shri S.K. Agarwal

3) Kamarhatty Company Limited (Holding Company)

4) Trend Vyapar Limited

Related party transaction: Loan taken from Holding Company (Kamarhatty Company Ltd.) is Rs. 46.83 lacs (net) during the financial year 2016-17.

###### **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), Shri B.P. Agarwal (HUF), Smt. Sweta Agarwal, Smt. Saraita Agarwal, Smt. Priti Agarwal, Shri Rajendra Kumar Bansal, Shri Jagadish Prasad Bansal, Smt. Hema Bansal.

- 2) The Company received in earlier year, by virtue of order of the Supreme Court, a sum of Rupees of 3 crore as part payment of delayed payment of surcharge which is ordered by the Supreme Court in subsequent for refund. Accordingly the amount has been shown as current liability.
- 3) The Financial Institution had taken physical possession of all fixed and current assets of the company during the year 2012-13 and the loan had been adjusted against the assets of the company (both fixed and current).

**KAMARHATTY POWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

In view of the above no provision for interest on loan taken from the Financial Institution has been made for the year 2013-14 and onwards.

- 4) Details of transaction of specified bank note from 8th November 2016 to 30th December 2016 : NIL
- 5) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.17.
- 6) **Earning Per Share (EPS)**

	<b>Year Ended 31.03.2017 Rs.</b>	<b>Period Ended 31.03.2016 Rs.</b>
(a) Profit/ (Loss) after Tax	<b>(47,44,865)</b>	7,67,47,268
(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>(1.19)</b>	19.19

- 7) Previous year figures have been re-arranged and / or regrouped wherever considered necessary.

**For S. S. KOTHARI & CO.**

*Chartered Accountants*

(Registration No. 302034E)

**R. K. Roychowdhury**

*(Partner)*

Membership No. 008816

Kolkata, the 27th day of May, 2017

**B. P. Agarwal**

**S. K. Agarwal**

*Director*

**KAMARHATTY POWER LIMITED****Cash Flow Statement for the Year ended 31st March, 2017**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
<b>A Cash Flow from Operating Activities :</b>		
Net Loss before Tax & extraordinary items	(4744865)	76747268
Adjustment for :		
Depreciation	—	—
Interest	—	609409
Interest Income	—	(82394755)
	—	(81785346)
<b>Operating Profit before Working Capital Changes</b>	<b>(4744865)</b>	<b>(5038078)</b>
Adjustment for :		
Trade & other receivables	—	(5086)
Trade payables	74450	5548291
Inventories	—	6452716
	74450	11995920
Cash generated from operations	(4670415)	6957842
Income tax paid	—	—
<b>Net Cash generated in Operating Activities</b>	<b>(4670415)</b>	<b>6957842</b>
<b>B. Cash Flow from Investing Activities :</b>		
Extinguishment of Fixed Assets	—	140943779
Interest Received	—	82394755
<b>Net Cash used in Investing Activities</b>	<b>—</b>	<b>223338534</b>
<b>C. Cash Flow from Financing Activities :</b>		
Capital Subsidy adjusted	—	(2435868)
Proceeds from Other Borrowings	4682731	(102399126)
Increase / (Decrease) in Cash Credit & Term Loan	—	(126171000)
Interest paid	—	(609409)
<b>Net Cash generated used Financing Activities</b>	<b>4682731</b>	<b>(231615404)</b>
Net Increase /(Decrease) in Cash & Cash equivalents	12316	(1319029)
Cash & Cash Equivalents - Opening Balance	40545	1359574
Cash & Cash Equivalents - Closing Balance	52861	40545

As per our report of even date

**For S. S. KOTHARI & CO.**

Chartered Accountants

(Registration No. 302034E)

**R. K. Roychowdhury**

(Partner)

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**B. P. Agarwal****S. K. Agarwal**

Director

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## **CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

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**INDEPENDENT AUDITORS' REPORT**

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**TO THE BOARD OF DIRECTORS OF  
KAMARHATTY COMPANY LIMITED**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying Consolidated 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 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information prepared based on the relevant record.

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

2. Management of the Company is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Holding Company's Management (Board of Directors) is also responsible for ensuring accuracy of records including Financial information considered necessary for the preparation of Consolidated Financial Statements. The Management of the Company & its Subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its Subsidiary and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies, making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Management of the Company.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the examination, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our examination in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, we considered the internal financial control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances and the operating effectiveness of such controls. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## KAMARHATTY COMPANY LIMITED

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### Matter of Emphasis

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

### Basis of Qualification

- (a) Liability on account of gratuity and Leave Encashment payable to employees on retirement as on 31st March, 2015 has neither been provided in the accounts nor ascertained. This is not in compliance of AS-15 (Revised).
- (b) The company has made investment of Rs. 378.11 lacs and advanced loan of Rs. 32.69 lacs to its subsidiary company generating Biomas electricity in the plant at Burdwan. The Plant of the subsidiary has stopped its generation of electricity. The possession of Fixed Assets including Current Assets of generating Plant of the subsidiary company has been taken over by the Financial Institution (WBIDC) for non-payment of loan and interest thereon and the subsidiary has no access to the premises of the plant. However, the subsidiary company has refunded during the F.Y. 2015-16, the loan of Rs. 1118 lacs to the company. As the amount is being recovered the extent of loan and investment which are likely to be realized ultimately is not ascertainable.

### Qualified Opinion

- 5. In our opinion and to the best of our information and according to the explanations given to us, except stated under basis of qualification, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2017.
  - b) In the case of the Consolidated Statement of Profit and Loss, of the Loss of the Group for the year ended on that date and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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 accounts as required by law relating to the preparation of the Consolidated Financial Statements have been kept by the Holding and Subsidiary Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation for the Consolidated Financial Statements.
- d) In our opinion, the Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representation received from the Directors of the Company as on March 31st, 2017 taken on record by the Board of Directors of the Company and of its Subsidiary Company, none of the Directors of the Company and its, Subsidiary, is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.



**KAMARHATTY COMPANY LIMITED**

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- f) Our report on adequacy of the Internal Financial Control over financial reporting of Company and operating effectiveness of such control has been stated in Annexure -A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i) The Group has disclosed the impact of pending litigations Consolidated Financial position of the Group in its Consolidated Financial Statements as at March 31, 2017. Refer Note 28(a)(ii) in Notes to the Balance Sheet.
  - ii) The Group has neither any long term contract nor any derivative contracts.
  - iii) There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Subsidiary Company.
  - iv) The company has provided requisite disclosure in the financial statement as to the holding as well as dealing in Specified Bank notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure and relying on the management representation, we report that the disclosure are in accordance with the books of account maintained by the company as produced to us by the management (Refer Note 30)

Place : Kolkata  
Dated : 27th May, 2017

**For S. S. KOTHARI & CO.**  
*Chartered Accountants*  
**(Regn. No. 302034E)**  
**R. K. Roychowdhury**  
*(Partner)*  
**Membership No. 008816**

## **KAMARHATTY COMPANY LIMITED**

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

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Kamarhatty Company Limited (hereinafter referred to as 'the Holding Company') and its subsidiary company, which are companies incorporated in India, as of that date.

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

2. The respective Board of Directors of the Holding company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective 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.

#### **Auditor's 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') issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## KAMARHATTY COMPANY LIMITED

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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 companies which are companies 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, 2017 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.

**For S. S. KOTHARI & CO.**

*Chartered Accountants*

**(Regn. No. 302034E)**

**R. K. Roychowdhury**

*(Partner)*

**Membership No. 008816**

Place : Kolkata

Dated : 27th May, 2017

**KAMARHATTY COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Fund</b>			
a) Share Capital	2	56170000	56170000
b) Reserves and Surplus	3	223649056	191300913
		<b>279819056</b>	247470913
<b>2. Non Current Liabilities</b>			
a) Long Term Borrowings	4	230271689	153525141
b) Deferred Tax Liabilities (Net)	5	1165457	930402
c) Long Term Provisions	6	—	—
		<b>231437146</b>	154455543
<b>3. Current Liabilities</b>			
a) Short Term Borrowings	7	93989985	92883641
b) Trade Payables	8	381975845	360884785
c) Other Current Liabilities	9	129010933	128869153
d) Short Term Provisions	10	49157720	41500871
		<b>654134483</b>	624138450
<b>TOTAL</b>		<b>1165390685</b>	1026064906
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	11	390136734	380769617
ii) Intangible Assets	12	317717	217378
iii) Capital work in progress		88053909	13920608
		<b>478508360</b>	394907603
b) Non Current Investments	13	286600	286600
c) Long Term Loans and Advances	14	—	—
		<b>478794960</b>	395194203
<b>2. Minority Interest</b>		<b>27084734</b>	25328482
<b>3. Current Assets</b>			
a) Inventories	15	405569613	324359801
b) Trade Receivables	16	147089994	150079984
c) Cash & Cash Equivalents	17	12841786	20295069
d) Short Term Loans and Advances	18	94009598	110807367
		<b>659510991</b>	605542221
<b>TOTAL</b>		<b>1165390685</b>	1026064906

**Significant Accounting Policies and  
Notes on Consolidated Financial Statements**

1

The Significant Accounting Policies and Notes referred to above from an integral part of the Consolidated Financial Statements.

As per our report of even date

**For S.S. KOTHARI & CO.**

Chartered Accountants

(Registration No. 302034E)

**R. K. Roychowdhury**

(Partner)

Membership No. 008816

Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

**KAMARHATTY COMPANY LIMITED**  
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
<b>I. INCOME</b>			
Revenue from operations (Gross)		1784836684	1477159992
Less : Cess duty		<u>22491189</u>	<u>22573054</u>
Revenue from operations (net)	19	1762345495	1454586938
Other Income	20	<u>58527087</u>	<u>126968667</u>
Total Revenue		<u>1820872582</u>	<u>1581555605</u>
<b>II. EXPENSES</b>			
Cost of Materials consumed	21	1046144068	975047505
Purchases of Finished and Semi Finished goods		63318494	69472706
Change in inventories of finished goods and stock in process	22	(30285636)	(156635510)
Employee benefit expenses	23	372541103	293745569
Finance Costs	24	32277027	29000852
Depreciation and amortisation expenses	25	32985448	32161513
Other expenses	26	<u>273189046</u>	<u>252064080</u>
Total Expenses		<u>1790169550</u>	<u>1494856715</u>
<b>III. PROFIT BEFORE TAX</b>		30703032	86698890
<b>IV. Tax Expense :</b>			
– Current tax		7229191	—
– Minimum Alternative Tax Credit Entitlement		(5250325)	(1896281)
– Deferred Tax Liabilities		<u>235055</u>	<u>930402</u>
		2213921	(965879)
<b>V. Profit for the year before Minority Interest</b>		28489111	87664769
Less : (Loss)/Profit Attributable to Minority Interest		<u>(1754651)</u>	<u>28381140</u>
Profit after Tax after Minority Interest		<u>30243762</u>	<u>59283629</u>
<b>VI. Earnings Per Equity Share</b> (nominal value of share Rs. 10/- each)			
Basic and Diluted	27	5.07	15.61

**Significant Accounting Policies and Notes on Consolidated Financial Statements** 1

The Significant Accounting Policies and Notes referred to above from an integral part of the Consolidated Financial Statements.

As per our report of even date

**For S. S. KOTHARI & CO.**

*Chartered Accountants*

*(Registration No. 302034E)*

**R. K. Roychowdhury**

*(Partner)*

**Membership No. 008816**

Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

**KAMARHATTY COMPANY LIMITED**
**CONSOLIDATED CASH FLOW Statement for the Year ended 31st March, 2017 as per the Listing Agreement**

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities :</b>				
Net (Loss) / Profit before Tax & extraordinary items		30703012		86698890
Adjustment for :				
Depreciaton	32985448		32161513	
Finance cost	32277027		29000852	
Interest income	(1051728)		(2791478)	
Loss on sale of Fixed Assets	—		257041	
Bad debts written off	1373644		—	
Profit on Sale of Assets	(2521897)	63062494	(1982081)	56645847
<b>Operating Profit before Working Capital changes</b>		<b>93765506</b>		<b>143344737</b>
Adjustment for :				
Trade & other receivables	22066380		(88196023)	
Trade payable & Other Current Liabilities and Provisions	21245172		195251500	
Inventories	(80782154)	(37470602)	(170582995)	(63527517)
Cash generated from operations		56294904		79817220
Direct Taxes paid		(3098584)		—
<b>Net Cash generated from Operating Activities</b>		<b>53196320</b>		<b>79817220</b>
<b>B. Cash Flow from Investing Activities:</b>				
Capital Work in progress	(84083149)		(7812451)	
Purchase of Fixed Assets	(36939002)		(40697616)	
Proceeds from Sale of Assets - Net of VAT	2845000		2240476	
Interest Received	1051728		2791478	
Extinguishment of Subsidiary Fixed Assets	—		143146341	
<b>Net Cash used in Investing Activities</b>		<b>(117125423)</b>		<b>99668228</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Short Term Borrowings	1106344		17833681	
Proceeds from Long Term Borrowings	81429280		(174645151)	
Interest paid	(32277027)		(29000852)	
Capital subsidy received	6217223		5266402	
<b>Net Cash (USED) / Generated from Financing Activities</b>		<b>56475820</b>		<b>(180545920)</b>
Net (decrease) in Cash & Cash equivalents		(7453283)		(1060472)
Cash & Cash equivalents - Opening balance		20295069		21355541
Cash & Cash equivalents - Closing balance		<b>12841786</b>		<b>20295069</b>

Notes : The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method as set out in Accounting Standard-3 issued by the 'Institute of Chartered Accountants of India'.

As per our report of even date

**For S. S. KOTHARI & CO.**

Chartered Accountants

(Registration No. 302034E)

**R. N. Bardhan**

(Partner)

**Membership No. 17270**

Kolkata, the 27th day of May, 2017.

**S. K. Agarwal**  
Managing Director

**B. P. Agarwal**  
Wholetime Director

**P. Rakshit**  
CFO

**R. Singh**  
CS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**1. SIGNIFICANT ACCOUNTING POLICIES****a. General**

- i) The Consolidated financial statements have been prepared on the historical cost convention on an accrual basis in accordance with the requirements of Accounting Standard – 21 "Consolidated Financial Statements" and the relevant provisions of the Companies Act, 2013.
- ii) Accounting policies, unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

**ii) Principles of consolidation**

The consolidated financial statements relate to Kamarhatty Company Limited ('the Company') and its subsidiary company, Kamarhatty Power Limited. The consolidated financial statements have been prepared on the following basis :

- iii) The financial statements of the company and its subsidiary company have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.
- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

The subsidiary company considered in the consolidated financial Statements are as follows :-

<u>Name of the Company</u>	<u>Country of incorporation</u>	<u>% of voting Power as on 31-3-2017</u>
Kamarhatty Power Ltd.	India	63.02%

**b. Revenue Recognition**

All expenses and income to the extent considered payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on mercantile basis.

**c. Income**

- i) Sales include Cess Duty, Excise Duty, Education Cess and discount, returns, claims etc are excluded therefrom.
- ii) Sales on consignment are accounted for on the basis of proforma invoice raised.
- iii) Claims are accounted for on acceptance / ascertainment of the same.

**d. TANGIBLE AND INTANGIBLE Fixed Assets**

- i) Fixed Assets are stated at their original cost / revalued cost. Depreciation is provided on straight-line method at the rates determined on the basis of effective life of the assets specified in Schedule - II to the Companies Act, 2013.
- ii) Depreciation is charged on Original Cost.

**e. Investments**

Long-term investments are stated at cost less diminution in value except temporary in nature if any. Current investments are valued at or lower than cost as the case may be.

**f. Retirement Benefits**

- i) Liability for employees as on 31st March, 2000 has been ascertained on the basis of actuarial valuation. The accrued liability on account of gratuity payable to the employees as on 31st March, 2017 has neither been ascertained nor been provided for in accounts. Also liability in respect of employees who have retired till 31.03.2017, has neither been ascertained nor provided in the accounts. The same will be accounted for as and when paid.

**KAMARHATTY COMPANY LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

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- ii) Liability in respect of leave encashment payable to the employee has not been ascertained and provided for in the accounts.

**g. Inventories**

Inventories are valued at lower of the cost and net realizable value. In respect of Jute division Cost of raw materials and stores & spares, are valued at cost on weighted average basis. Whereas in case of Paper division cost of raw material is valued on annual weighted average basis and stores & spares are computed on monthly average basis. For both the units in respect of finished goods stock is valued at lower of cost and market rate. Process stock, is valued at estimated cost, which represent direct material and appropriate portion of direct labour and manufacturing overheads. Cess duty on finished goods lying at the factory is provided and included in valuation of finished goods stock.

**h. Foreign Exchange Transaction**

The difference in translation and realized gains and losses on Foreign Exchange transactions other than those relating to the fixed assets are recognized in the Profit & Loss Account under respective head of accounts. Gains or Losses in respect of liabilities incurred for acquisition of fixed assets are adjusted in the carrying cost of such assets.

**i. Taxation On Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. 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.

**j. Provisions and Contingent Liabilities**

Contingent liabilities are not provided for and are disclosed by way of notes.



**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	As at 31.03.2017		As at 31.03.2016	
	No of Shares	Rs.	No of Shares	Rs.
<b>2. SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
60,00,000 (31-03-2016 – 60,00,000) Equity shares of Rs.10/- each		60000000		60000000
1,00,000 (31-03-2016 - 1,00,000) Preference Shares of Rs. 100/- each		10000000		10000000
		<u>70000000</u>		<u>70000000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
56,17,000 (31-03-2016 – 56,17,000) Equity Shares of Rs. 10/- each		56170000		56170000
		<u>56170000</u>		<u>56170000</u>
a) Reconciliation of number of shares				
Equity Shares				
Balance as at the beginning and end of the year	56,17,000		56,17,000	
b) Details of shareholders holding more than 5 percent of equity shares :	No. of shares held	% of Holding	No. of shares held	% of Holding
i) Tornado Consultants Ltd.	8,35,000	14.87	8,35,000	14.87
ii) Malsisar Converting Machinery Pvt Ltd.	5,50,000	9.79	5,50,000	9.79
iii) Echolac Trexim Ltd.	5,00,000	8.90	5,00,000	8.90
iv) Niramaya Investment & Dealers Ltd.	2,91,100	5.18	2,91,100	5.18
v) Sri Badri Prasad Agarwal	5,88,380	10.47	5,88,380	10.47
vi) Sri Sushant Kumar Agarwal	3,70,000	6.59	3,70,000	6.59
c) Rights attached to each class of share capital				
<b>i) Ordinary shares of Rs. 10 each</b>				
i) The Company has only one class of Equity shares having a face value of Rs. 10 per share				
ii) Each shareholder is eligible for one vote per share held.				
iii) In the event of liquidation, the shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
iv) The Board has not proposed any dividend for the year				

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>3. RESERVES AND SURPLUS</b>		
<b>A. REVALUATION RESERVE</b>		
AT Commencement of the year	24101873	26816868
Less : Adjustment on account of foreign exchange difference on account of buyers credit from bank in the FY-2012-13 for Capital expenditure	—	(2714995)
	<u>24101873</u>	<u>24101873</u>
<b>B. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>		
As Per last Balance Sheet	115182195	55898566
Add : Profit for the year	<u>30243762</u>	<u>59283629</u>
	145425957	115182195
Less : Transfer to Capital Redemption Reserve account	—	—
Balance as at the end of the year	<u>145425957</u>	<u>115182195</u>
<b>C. SECURITIES PREMIUM ACCOUNT</b>	20400000	20400000
<b>D. CAPITAL REDEMPTION RESERVE</b>	4000000	4000000
<b>E. CAPITAL RESERVE</b>		
CAPITAL SUBSIDY	27616845	26666155
Add : Received during the year	6217223	5266402
Less : Transfer to statement of profit and Loss account as reduction from depreciation	<u>(4112842)</u>	<u>(4315712)</u>
	29721226	27616845
Total	<u>223649056</u>	<u>191300913</u>

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

		<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs.</b>
<b>4. LONG TERM BORROWINGS</b>			
<b>I. SECURED LOANS</b>			
(i) TERM LOAN			
a From Banks Refer note (i), (ii) & (iii) below		<b>150801622</b>	54586620
(ii) CAR LOAN		<b>698395</b>	1703910
<b>II. UNSECURED LOANS</b>			
a Loan from Others		<b>102504950</b>	100784108
b Deposits from Others		<b>16617677</b>	16950077
Total (I + II)		<b>270622644</b>	174024715
Less : Current Maturities of Long Term Borrowings and disclosed under the head Other Current Liabilities (Note No.9) :-			
<b>SECURED LOAN</b>			
From Banks	<b>39652560</b>	18795664	
from Others	<b>698395</b>	<b>40350955</b>	1703910
<b>TOTAL</b>		<b>230271689</b>	153525141

i) Nature of Security and term of repayment for Term Loan (including current maturities of Long term Borrowing)

<b>Nature of Security</b>	<b>Term of Repayment</b>
i Term loan from Allahabad Bank amounting to Rs.3,87,04,284/- (31.3.2016 – Rs. NIL) are secured by exclusive hypothecation of Stock-in-trade, Loans & Advances, Stores and Book debts of the Company both present and future and by way of a first charge over the entire immovable/movable fixed assets of the Company and the personal guarantee of two of the Directors of the Company)	Repayable in 20 quarterly instalments beginning from March 2011 along with interest of 13.20% p.a
ii Term loan from Allahabad Bank amounting to Rs.2,97,68,270/- (31.3.2016 – Rs. 5,26,14,755/-) are secured by exclusive hypothecation of Stock-in-trade, Loans & Advances, Stores and Book debts of the Company both present and future and by way of a first charge over the entire immovable/movable fixed assets of the Company and the personal guarantee of two of the Directors of the Company)	Repayable in 16 quarterly instalments beginning from September' 2014 along with interest of 13.20 % p.a
iii ICICI LAP Account secured by property of Directors and personal guarantee Rs. 8,23,29,068/- (31.3.2016 – Rs. NIL).	Repayable in equated monthly instalments in 5 years from November 2016 onwards.

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	As on 01.04.2016 Rs.	increase / (decrease)	As on 31.03.2017 Rs.
<b>5. DEFERRED TAX</b>			
Deferred Tax Liabilities :			
a) On account of difference in book and tax depreciation	930402	235055	1165457
Deferred Tax Assets :			
b) On account of difference in book and tax depreciation Taken to the extent of balance in DTL account	—	—	—
Deferred Tax (Assets) / Liabilities (net)	930402	235055	1165457
	As at 31.03.2017 Rs.		As at 31.03.2016 Rs.
<b>6. LONG TERM PROVISIONS</b>			
Provisions for Gratuity	—		—
	—		—
	—		—
<b>7. SHORT TERM BORROWINGS</b>			
Secured			
Cash Credit from Allahabad Bank	93989985		92883641
Refer note (a)			
TOTAL	93989985		92883641
Notes :-			
a) Cash Credit from Bank amounting to Rs. 9,39,89,985/- (31.3.2016 – Rs. 9,28,83,641/-) are secured by exclusive hypothecation of Stock-in trade, Loans & Advances, Stores and Book debts of the Company both present and future and by way of a first charge over the entire immovable / movable fixed assets of the Company and the personal guarantee of two of the Directors of the Company.			

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	<b>As at 31.03.2017 Rs.</b>	<b>As at 31.03.2016 Rs</b>
<b>8. TRADE PAYABLES</b>		
a) Due to Micro, small and Medium Enterprises Note (a)	—	—
b) Others [including cheque over issued Rs. 54,43,315/-, P.Y. Rs. 25,66,539/-]	<b>381975845</b>	360884785
Total	<b>381975845</b>	360884785
Note - (a)		
There are no Micro, Small and medium enterprises to whom the Company owes dues, which are outstanding for more than 45 days as on 31.03.2017.		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term debt (also refe Note 4)	<b>40350955</b>	20499574
Advance received from Customers	<b>4047746</b>	270571
Statutory dues	<b>35722002</b>	23539072
Electricity dues	<b>25394977</b>	12694778
Others	<b>22288953</b>	70658858
Unclaimed Preference Shareholders account on A/c of Redemption	<b>1206300</b>	1206300
Total	<b>129010933</b>	128869153
<b>10. SHORT TERM PROVISIONS</b>		
Cess / Excise Duty on Stock	<b>2333442</b>	2342778
Provision for Income Tax	<b>46824278</b>	39158093
Total	<b>49157720</b>	41500871

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**
**11. TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2016	Addition during the Year	Sales/Disposal during the Year	As on 31.03.2017	As on 01.04.2016	For the Year	Adjust- ment for Disposals	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND (FREE HOLD)	16496584	—	45000	<b>16451584</b>	—	—	—	—	<b>16451584</b>	16496584
BUILDING	96099986	9949848	—	<b>106049834</b>	39301104	1397272	—	<b>40698376</b>	<b>65351458</b>	56798882
PLANT & MACHINERY	509711362	35677502	412500	<b>544976364</b>	247177193	27978099	371250	<b>274784042</b>	<b>270192322</b>	262534169
COGENERATION	30437552	—	—	<b>30437552</b>	18672628	2892158	—	<b>21564786</b>	<b>8872766</b>	11764924
COMPUTER	5057581	532600	—	<b>5590181</b>	3817420	657217	—	<b>4474637</b>	<b>1115544</b>	1240161
ELECTRIC INSTALLATION	34291815	—	—	<b>34291815</b>	15345823	2117274	—	<b>17463097</b>	<b>16828718</b>	18945992
TUBEWELL & WATER SUPPLY	1538726	—	—	<b>1538726</b>	764681	—	—	<b>764681</b>	<b>774045</b>	774045
FURNITURE FIXTURE & OTHER OFFICE EQUIPMENTS	12423189	528900	—	<b>12952089</b>	6833503	651413	—	<b>7484916</b>	<b>5467173</b>	5589686
MOTOR VEHICLES	14205364	—	1102574	<b>13102790</b>	7580190	1305196	865720	<b>8019666</b>	<b>5083124</b>	6625174
<b>TOTAL</b>	<b>720262159</b>	<b>46688850</b>	<b>1560074</b>	<b>765390935</b>	<b>339492542</b>	<b>36998629</b>	<b>1236970</b>	<b>375254201</b>	<b>390136734</b>	<b>380769617</b>
PREVIOUS YEAR	565270468	156992584	2000893	720262159	306987719	33990280	1485457	339492542		
CAPITAL WORK IN PROGRESS	13920608	84083149	9949848	88053909	—	—	—	—	88053909	13920608
									478190643	394690225

# KAMARHATTY COMPANY LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

TOTAL	853444844
OF WHICH	
CWIP - JUTE	5035631
CWIP - LINYARN	83018278
Fixed Assets	765390935

- NOTE :**
1. Amount added on Revaluation as on 30.06.1985 (Net after adjustment on account of Sales of respective assets, Land Rs. 1,60,26,449/- . Building Rs. 2,59,39,592/- and Plant & Machinery Rs. 4,02,29,107/-).
  2. Motor vehicles include Rs. 14,28,878/- acquired in Financing Scheme under EMI
  3. 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.
  4. CWIP from Previous year includes 19 NO GODOWN - Rs. 88,84,977/- and during the year Rs.10.64.871/- both capitalised during the year.

## 12. INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2016	Addition during the Year	Sales/Disposal during the Year	As on 31.03.2017	As on 01.04.2016	For the Year	Adjust- ment for Disposals	As on 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	3326023	200000	—	3526023	3108645	99661	—	3208306	317717	217378
TOTAL	3326023	200000	—	3526023	3108645	99661	—	3208306	317717	217378
TOTAL (11+12)	723588182	46888850	1560074	768916958	342601187	37098290	1236970	378462507	390454451	380986995
PREVIOUS YEAR	568596491	156992584	2000893	723588182	310045287	34041357	1485457	342601187	380986995	258551204

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	<b>No. of Shares/ Debenture</b>	<b>Face Value per Share</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>13. NON CURRENT INVESTMENTS</b>				
<b>OTHER INVESTMENTS</b>				
UNQUOTED - AT COST				
YATAN TRADE LINK (P) LTD. (Equity Shares of Rs. 10/- each fully paid up)	1250	10	<b>250000</b>	250000
Kamarhatty Jute Mill Employees - Consumers Co.op Stores Ltd. B' Class Redeemable Shares of Rs. 10 each	250	10	<b>2500</b>	2500
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd. 1/2% Debentures	71	100	<b>7100</b>	7100
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd. Non redeemable 5% debentures Stock 1957			<b>26000</b>	26000
7 Years National Saving Certificates (Deposited with Govt. Department)			<b>1000</b>	1000
Total			<b>286600</b>	<b>286600</b>
Aggregate Amount of Unquoted Investments			286600	286600

	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
Loan to Employees	—	—
TOTAL	—	—



**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	<u>31st March, 2017</u>	<u>31st March, 2016</u>
	<b>Rs.</b>	<b>Rs.</b>
<b>15. INVENTORIES</b>		
(Valued At Lower of Cost And Net Realizable Value)		
Raw Material	<b>82284223</b>	36834282
Finished goods [Includes in transit Rs. 54,18,166/-, Previous year Rs. NIL]	<b>250599282</b>	204956916
Stock-in-Process	<b>41031928</b>	55961000
Stores and spares parts	<b>27801653</b>	22591292
COAL	<b>3852527</b>	4016311
TOTAL	<u><b>405569613</b></u>	<u>324359801</u>
<b>16. TRADE RECEIVABLES</b>		
Unsecured, considered good		
Outstanding for a period exceeding six months		
Considered good	—	—
Considered doubtful	—	—
Other Trade Receivables	<u><b>147089994</b></u>	<u>150079984</u>
TOTAL	<u><b>147089994</b></u>	<u>150079984</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash balance on hand	<b>1017256</b>	3088817
Balance with Scheduled Banks :		
in current Account	<b>1731028</b>	2054286
on L/C Margin Account		
in Fixed Deposits	<b>10049467</b>	15025438
in Current Account	<u><b>44035</b></u>	<u>126528</u>
TOTAL	<u><b>10093502</b></u>	<u>15151966</u>
	<u><b>12841786</b></u>	<u>20295069</u>
<b>18. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considred good)		
a. Loans and Advances to Related Parties [Note No. 28(e)]	<b>283283</b>	281160
b. Deposits	<b>2625301</b>	1242213
c. Other Loans and Advances		
i. Loans to Employees	<b>514393</b>	572079
ii. Balance with Statutory / Government Authorities	<b>2650999</b>	2663113
iii. Advance to Supplier	<b>8932415</b>	33707610
iv. Advances recoverable in cash or in kind or for value to be received	<b>15569151</b>	17188230
v. Mat Credit Entitlement	<b>10015367</b>	4765042
vi. Advance payment against taxes	<b>53418689</b>	50387920
TOTAL	<u><b>94009598</b></u>	<u>110807367</u>

**KAMARHATTY COMPANY LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	31st March, 2017 Rs.	31st March, 2016 Rs.
<b>19. REVENUE FROM OPERATIONS</b>		
Details of Products Sold		
<u>Particulars</u>		
Jute Goods	1537243662	1215258780
Fine Yarn Unit	111593757	87646337
Kraft Paper	113508076	151681821
	<u>1762345495</u>	<u>1454586938</u>
<b>20. OTHER INCOME</b>		
Interest on Deposits	1051728	2791478
(Tax deducted at source Rs. 1,03,788/- Previous Year - Rs. 1,59,733/-)		
Rent (Gross) :	26670316	22518692
(Tax deducted at source Rs. 2652015/- Previous Year - Rs. 23,01,634/-)		
Profit on Sale of Fixed Assets	2521896	1982081
Processing Charges received	8516843	6104603
Handling Charges Received	3905608	2579756
Interest Subsidy Received	1594796	362740
Insurance Claim	92047	—
Miscellaneous Income	11441024	88656821
Sale of Scrap	450839	767400
Export Duty Drawback	2281990	1205096
	<u>58527087</u>	<u>126968667</u>
<b>21. COST OF MATERIAL CONSUMED</b>		
<u>Details of Principal Raw Material Consumed</u>		
Raw Jute	927742124	853179402
Flax consume	3942885	—
Waste paper	64303611	78041097
Jute Batching Oil	22033800	17114725
Packing Material	7453083	7566953
Dye Material / Pulping Material	20668565	19145328
	<u>1046144068</u>	<u>975047504</u>

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	<u>31st March, 2017</u>	<u>31st March, 2016</u>
	<u>Rs.</u>	<u>Rs.</u>
<b>22. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS</b>		
<b>OPENING STOCK :</b>		
Finished Goods	<b>204956916</b>	68997313
Stock-in-process	<b>55961000</b>	33980750
TOTAL - A	<b>260917916</b>	102978063
Less :		
<b>CLOSING STOCK :</b>		
Finished Goods	<b>250599282</b>	204956916
Stock-in-process	<b>41031928</b>	55961000
TOTAL - B	<b>291631210</b>	260917916
A-B	<b>(30713294)</b>	(157939853)
<b>Less : Cess / Excise Duty Provision on</b>		
<b>On Inventory : -</b>		
On CLOSING STOCK	<b>2770436</b>	2342778
On OPENING STOCK	<b>(2342778)</b>	(1038435)
<b>Increase in stock in trade</b>	<b>(30285636)</b>	(156635510)
<b>23. EMPLOYEE BENEFIT EXPENSES</b>		
Salary, Wages and Bonus	<b>324500891</b>	258137416
Gratuity	<b>15978070</b>	7727681
Contribution to Provident Fund & Other Funds	<b>31181440</b>	26680798
Staff Welfare	<b>880702</b>	1199674
TOTAL	<b>372541103</b>	293745569
<b>24. FINANCIAL COST</b>		
a) Interest to Bank	<b>21315599</b>	17668903
b) Interest - Others	<b>10961428</b>	11331949
TOTAL	<b>32277027</b>	29000852
<b>25. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	<b>36998629</b>	33990280
Depreciation on Intangible Assets	<b>99661</b>	51077
	<b>37098290</b>	34041357
Less : Transferred from Revaluation Reserve	—	—
Less : Transferred from Capital Reserve	<b>4112842</b>	1879844
TOTAL	<b>32985448</b>	32161513

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	31st March, 2017	31st March, 2016
	Rs.	Rs.
<b>26. OTHER EXPENSES</b>		
Stores and Spares consumed	28061951	25681971
Power and fuel	119804543	121689851
Repair to Building	2351218	1852473
Repair to Plant and Machinery	28613364	20418377
Repair to Others	5201280	5846100
Branding and Processing charges	11437437	6820067
Brokerage and Commission	9399643	12769613
Transport Charges	6883305	3427517
Advertisement	71604	95514
Bank Charges	3865551	2428864
Conveyance	437314	400971
Coolie & Carriage	31520	9260
Electric Charges	887248	1039740
Filing Fees	57233	39700
Listing Fees	28625	28090
Hire Charges	142299	154534
Legal Expenses	277985	501655
Motor Car Expenses	1968698	1988275
Office Maintainance	1458066	1569769
Postage & Telegram	307393	98279
Printing & Stationery	1051262	920143
Subscription	1149410	1465073
Telephone Expenses	1249028	1228957
Travelling Expenses	3750026	519126
Loss on Car Sale	—	257041
Security Charges	1620921	1579182
Rates & Taxes	3837034	3668418
Rent	468000	468000
Insurance Charges	1288274	2744830
Bad Debts W/Off	1373644	—
Miscellaneous Expenses	23906610	19900378
CSR Expenditure	215000	—
Auditors' Remuneration (Note a)	111230	95770
Directors' Remuneration	3305200	3300200
Director Fees	156500	162000
Professional Fees	8420630	8894342
	<b>273189046</b>	<b>252064080</b>
Note (a)		
Details of Payment to Auditor		
<b>As Auditor</b>		
Audit fees	80500	78916
Tax Audit	17250	16854
<b>Other Capacity</b>		
Certificaton	13,480	—
	<b>1,11,230</b>	<b>95,770</b>

**KAMARHATTY COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

		<b>31.03.2017</b>	<b>31.03.2016</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>27. EARNING PER SHARE (EPS)</b>			
Profit after tax		<b>28489111</b>	87664768
Less : Preference dividend (including tax thereon)		<b>—</b>	<b>—</b>
Net Profit for Calculation of Basic and Diluted EPS (A)		<b>28489111</b>	87664768
Weighted average number of shares outstanding of Rs. 10/- each. (B)		<b>5617000</b>	5617000
Basic and Diluted Earning per share	A/B	5.07	15.61

**28. ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS :**

		<b>31.03.2017</b>	<b>31.03.2016</b>
		<b>Rs.</b>	<b>Rs.</b>
a) Contingent Liability not provided for in respect of			
(i) Bank Guarantee – Subsidiary		<b>Nil</b>	518000
Others		<b>38615104</b>	37100000
(ii) Demand of different Statutory authorities pending appeal		<b>212566440</b>	214938218
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. 41,28,046/- for the period upto June 2004 has become refundable to the Company in terms of direction of the Hon'ble Commission dated 26 <sup>th</sup> 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 made investment of Rs. 378.11 lacs and advanced loan of Rs. 936.95 lacs to its subsidiary Company generating Biomass electricity in the Plant at Burdwan. The possession of Fixed Assets including current assets of generating plant of the subsidiary Company has been taken over by Financial Institution (WBIDC) for non payment of loan and interest thereon and the subsidiary Company has no access to the premises of the Plant. However the Subsidiary Company has since received Rs. 788.00 lakhs from the WBSEC and refunded the Loan of Rs. 788.00 lakhs to the Company. As the subsidiary Company has filed a suit for recovery of interest on the outstanding balance of eligible dues from WBSEDCL to whom the entire Power were sold and is likely to succeed the low investment at this stage is considered good.			

**KAMARHATTY COMPANY LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)****e) Related Party Disclosures :**

Related Party Disclosures as required by Accounting Standard – 18, 'Related Party Disclosure' are given below :

**a) List of Related Parties.****i) Parties where control exists.**

<u>Name of the Related Party</u>	<u>Nature of relationship</u>
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 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 Director is interested as a Director & holds along with his relatives more than 2% of its paid up share capital
f) Malsisar Converting Machinery Pvt. 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 Directors are interested as Director.

**ii) Key Management Personnel :-**

Shri B. P. Agarwal, Chairman cum Whole time Director

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, Shri B. P. Agarwal, Smt. Kalpana Agarwal, Shri S. K. Agarwal (HUF), Shri B. P. 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 :**

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>Rs.</b>	<b>Rs.</b>
B. P. Agarwal	<b>11,70,000</b>	11,70,000
S. K. Agarwal	<b>11,23,200</b>	11,23,200
H. Nahata	<b>10,12,000</b>	10,07,000
R. Singh	<b>3,44,500</b>	3,25,000
<b>Total</b>	<b>36,49,700</b>	36,25,200

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

ii) Unsecured loan taken from directors and their Relatives :

Name of the person	31-03-2017		31-03-2016	
	Loan Taken Rs.	Outstanding Rs.	Loan Taken Rs.	Outstanding Rs.
Shri S. K. Agarwal	2845310	2335000	500000	760000
Shri H. K. Agarwal	1072877	2190000	250000	1545000
Shri D. K. Agarwal	3439750	5550000	675000	4630000
Shri B. P. Agarwal	1238420	120000	725000	75000
Smt. Sakuntala Devi Agarwal	1093798	3470000	150000	2780000
Smt. Kalpana Agarwal	1223685	2886600	400000	2285000
Shri B. P. Agarwal (HUF)	851040	3120000	685000	2625000
Shri S. K. Agarwal (HUF)	1064043	4735000	950000	4285000
Shri Ramesh Kr. Agarwal (HUF)	2307264	2350000	250000	1350000
Smt. Sweta Agarwal	340071	1090000	225000	1060000
Smt. Paridhi Agarwal	50394	125000	—	750000
Smt. Udisha Agarwal	1115563	2445000	550000	1580000
Smt. Sarita Agarwal	842013	3165000	350000	2815000
Smt. Priti Agarwal	121500	1021500	200000	900000
Shri Rajendra Kr. Bansal	5400	300400	—	295000
Shri Hitesh Kr. Agarwal (HUF)	749822	3690000	690000	3390000
Shri Jagdish Prasad Bansal (HUF)	—	90000	—	90000
J. P. Bansal Family Trust	13500	513500	—	500000
Smt. Hema Bansal	56700	2286700	—	2230000
Shri Dharmesh Kumar Agarwal (HUF)	1060300	865000	810000	1600000
Shri Ramesh Agarwal	2746606	1550000	350000	1350000
Smt. Sejal Agarwal	1082823	1625000	650000	650000

- iii) Malsisar Converting Machinery Pvt. Ltd. : Loan refunded to the Company – Rs. 50.51 lacs  
(Balances outstanding as on 31.3.17 – Rs. 297.72 lacs)
- iv) Kamarhatty Power Ltd. : Balances outstanding as on 31.03.2017  
(subsidiary Company) Rs. 79.51 lacs
- v) Hemp Trading Pvt. Ltd. : Loan taken from the Company during the Financial  
Year 2014-15 amounting to Rs. 431.41 lacs (Balance  
outstanding as on 31.03.2017 – Rs. 4.95 lacs)
- vi) Tornado Consultants Ltd. : Balance outstanding as on 31.03.2017 Rs. 51,500/-  
(P.Y. Rs. 1,90,000)

f)	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value Rs.	%	Value Rs.	%
(i) <b>C.I.F. Value of Imports :</b>				
Capital Goods (Capitalised Rs. 23417977/- during the year)	74813311	22.49	36240172	24.61
Raw Materials	267602209	77.51	109071400	74.07
Finished goods & Semi finished goods	Nil	—	1924465	1.32
	<b>342415520</b>	<b>100</b>	<b>147236037</b>	<b>100</b>

**KAMARHATTY COMPANY LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Value Rs.	%	Value Rs.	%
(ii) <b>Earnings in Foreign Currency</b>				
FOB Value of Exports	56735492	—	24246707	—
(iii) <b>Raw Materials Consumption</b>				
Imported (Raw Material)	267602209	25.76	109071400	11.19
Indigenous (Raw Material)	778541859	74.24	865976104	88.81
	<u>1046144068</u>	<u>100.00</u>	<u>975047504</u>	<u>100.00</u>
(iv) <b>Value of Stores &amp; Spares consumed :</b>				
Indigenous (100%) (including labour charges)	<u>64227813</u>	<u>100.00</u>	<u>53798921</u>	<u>100.00</u>

29) Previous year's figures have been reclassified, regrouped and rearranged, wherever necessary.

30) The details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016 are provided in the table below :

	SBNs**	Other Denomination Notes	Total
Closing cash in hand as on 8th November 2016	5307500	1320115	6627615
(+) Permitted receipts	NIL	162805	162805
(-) Permitted payments	(19000)	(1641571)	(1660571)
(-) Amount deposited in Banks	(5288500)	(NIL)	(5288500)
(+) Amount withdrawn from bank	NIL	440000	440000
Closing cash in hand as on 30th December 2016	NIL	281349	281349

\* Amount is below the rounding off norm adopted by the Company

\*\* Specified Bank Notes (SBNs) mean the bank notes of denomination of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no S.O.3407(E), dated the 8th November, 2016.



## KAMARHATTY COMPANY LIMITED

Registered Office : 16A, Brabourne Road, Kolkata - 700 001  
Phone : No.: 91-33-4021 1900 Fax : 91-33-4021 1999 E-mail : jute@kamarhatty.com

CIN : L51109WB1977PLC000361

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Hall)

218th ANNUAL GENERAL MEETING – SATURDAY, 23rd SEPTEMBER, 2017

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, 23rd September, 2017 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 \_\_\_\_\_

..... Please cut here .....

## 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-700 001

**Name of the Members :**

**Registered Address :**

**E-mail Id :**

**Folio No./Client No.:**

**DP ID :**

I/ We, being the member(s) of \_\_\_\_\_ share 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 and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, 23rd September, 2017 at 11.00 a.m. at 16A, Brabourne Road, Kolkata-700 001 in respect of the such resolutions 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, 2017		
2.	Appointment of Mr. Sushan Kumar Agarwal (DIN : 00546541), who retires by rotation		
3.	Appointment of M/s. Khandelwal Ray & Co., Chartered Accountant as Statutory Auditors and fixing their remuneration		
4.	Appointment of Cost Auditor		

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

Signature of Shareholder(s) : \_\_\_\_\_

Signature of Proxy(s) : \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note :**

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.

BLANK