



**KILBURN CHEMICALS LTD.**

**ANNUAL  
REPORT  
AND  
ACCOUNTS  
2012-2013**

**KILBURN CHEMICALS LTD.**

**DIRECTORS**

S. K. JALAN – *Managing Director*  
V. VANCHI  
A. D. NANAIYA  
R. CHAUDHRI  
A. CHATRATH  
P. K. BHATTACHARJEE  
T. M. PATEL

**BANKERS**

AXIS BANK LIMITED  
HDFC BANK LIMITED

**AUDITORS**

G. P. KEJRIWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
KOLKATA

**REGISTERED OFFICE**

NEW NO. 23, OLD NO. 12  
NEELAKANTA MEHTA STREET  
T. NAGAR  
CHENNAI - 600 017

**CORPORATE OFFICE**

“SHANTINIKETAN”  
16TH FLOOR  
8, CAMAC STREET  
KOLKATA 700 017

**REGISTRAR &  
SHARE TRANSFER AGENT**

MAHESHWARI DATAMATICS PVT. LTD.  
6, MANGOE LANE, 2ND FLOOR  
KOLKATA - 700 001  
PHONE NO. : (033) - 22435809 / 5029  
FAX NO. : (033) 2248 4787  
EMAIL : mdpl@cal.vsnl.net.in

## **NOTICE FOR THE 23RD ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 23rd Annual General Meeting of the Company will be held on Monday, the 19th day of August, 2013, at Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018, at 11.00 A.M. to transact the following:

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To elect a Director in the place of Shri V.Vanchi who retires by rotation and being eligible, offers himself for re-election.
3. To elect a Director in the place of Shri Anand Chatrath, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint M/s. G. P. Kejriwal & Associates, Chartered Accountants (Firm Registration No. FRN 302201E), Kolkata as the Statutory Auditors of the Company, as per the provisions of the section 225(1) and applicable provisions, if any, of the Companies Act, 1956 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

### **AS SPECIAL BUSINESS**

5. **To consider and, if thought fit, to pass with or without modifications, the following Resolution as Ordinary Resolution:**

**“RESOLVED THAT** Shri Tushar Mahendra Patel, who was appointed as a Director by the Board on 9th November, 2012, in the Vacancy caused by the resignation of Shri Bajarang Prasad Jalan, pursuant to Section 262 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”

6. **To consider and, if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:**

**“RESOLVED THAT** in partial modification of the earlier Ordinary Resolution passed by the shareholders at the 22nd Annual General Meeting of the Company held on 24th day of September, 2012 and pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if, any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) and subject to such approvals as may be required, consent and approval of the Company be and is hereby accorded that the remuneration payable to Shri S. K. Jalan, Managing Director of the Company in the absence of or inadequacy of profit, if any, in any of the financial year of the Company will pay the remuneration within the limit laid out in sub section B of part II of Schedule XIII of the Companies Act 1956 with effect from financial year 2012-13 till the remaining period of his tenure to 13th November, 2015 and other terms and conditions shall remain same as set out in the Ordinary Resolution passed at the Annual General Meeting of the Company held on 24th day of September, 2012.”

**KILBURN CHEMICALS LTD.**

**“RESOLVED FURTHER THAT** in the absence or in adequacy of profits in any financial year, the remuneration will be paid to the Managing Director of the Company as minimum remuneration in terms of sub section (B) of Section II Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions of the appointment of Shri S. K. Jalan from time to time in such manner as may be agreed to between the Board of Directors and Shri S. K. Jalan, subject to and in compliance with all applicable provisions of the Companies Act, 1956 including any amendment, modification, variation or re enactment thereof.”

**“RESOLVED FURTHER THAT** subject to superintendence, control and direction of the Board, Shri S. K. Jalan shall perform such duties and functions as would commensurate with his position as Managing Director of the Company as may be delegated to him from time to time.”

**“RESOLVED FURTHER THAT** Mr. V.Vanchi, Director and Mr. Sunil Kumar Somani, General Manager Finance & Company Secretary of the Company be and are hereby severally authorised to file any e –form, documents, papers and any other forms to Registrar of Companies, Ministry of Corporate Affairs and to any other statutory authority on behalf of the Company as required from time to time.

Registered Office:  
New No.23, Old No.12,  
Neelakanta Mehta Street,  
T. Nagar,  
Chennai - 600 017  
Dated: 30th May, 2013

By Order of the Board  
**KILBURN CHEMICALS LTD.**  
**S. K. JALAN**  
**MANAGING DIRECTOR**

**NOTES**

- 1) A Member entitled to attend and vote at the meeting may appoint a proxy to attend, and to vote in his place. A proxy need not be a member of the Company.
- 2) The Proxy Form to be valid, should be duly stamped, executed and deposited at the Registered office of the Company at least forty eight hours before the time fixed for the commencement of the meeting.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 13th August, 2013 to 19th August, 2013 (both days inclusive).
- 4) Members are informed that consequent to the issue of Notification by the Department of Company Affairs, they can now avail the nomination facility in respect of their Shares/ Debentures/Deposits held in the Company. Members may kindly send the Nomination Form to the Share Transfer Agents of the Company at the earliest.

## THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NO. 5

In accordance with the provisions of the Section 262 of the Companies Act, 1956, Shri Tushar Mahendra Patel was appointed as a Director of the Company at its Board Meeting held on 9th November, 2012 caused by resignation of Shri Bajarang Prasad Jalan. Shri Tushar Mahendra Patel shall hold office upto the date on which Shri Bajarang Prasad Jalan would have held the office i.e. the date on the ensuing Annual General Meeting. The Company has received a Consent letter in writing alongwith the requisite deposit under Section 257(1) of the Companies Act, 1956 proposing Shri Tushar Mahendra Patel as a Director.

The Board recommends the resolution for the approval of the Shareholders.

Except Shri Tushar Mahendra Patel none of the Directors is, in any way, concerned or interested in the resolution.

### ITEM NO. 6

Your Board of Directors at its meeting held on 30.05.13 and on the recommendation of Remuneration Committee revised the remuneration payable to Shri S. K. Jalan, Managing Director of the Company and pursuant to section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 for the financial year 2012-13 and with the remaining tenure of appointment of Shri S. K. Jalan, subject to your approval by way of Special Resolution.

As members are aware that Shri S. K. Jalan Managing Director of the Company has been re-appointed by the members in their meeting held on 24th day of September 2012 for a period of three years w.e.f. 14th November, 2012. As the members are aware that Company is in process of setting up a new plant in Gujarat and due to this reason Company's profitability may become inadequate. Looking to the above the remuneration committee of the Company in their meeting held on 30.05.13 has revised his remuneration keeping in view of inadequacy of the profit and in absence of profits within the limit laid down by the Schedule XIII of the Companies Act, 1956 which was also approved by the Board of Directors in their meeting held on 30.05.13.

In view of the continuing growth and complexities of the Company's operation and having regards to his rich and varied experience in the field of business and commerce, the Board of Directors has considered that in absence of or in case of inadequacy of the profit due to time taken in setting up new plant the remuneration will be paid to him as per the **Schedule XIII** of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company, except Shri S. K. Jalan is, in any way, concerned or interested in the resolution.

**INFORMATION IN TERMS OF SCHEDULE XIII TO THE COMPANIES ACT, 1956****I. General Information:**

1. Nature of Industry: Power generation from Wind Turbine Generators
2. Date or expected date of commencement of commercial production: The Company is an existing Company and is in operation.
3. **In case of new companies, expected date of commencement of activities as per Project approval by Financial Institutions appearing in the Prospectus:** N.A.
4. **Financial Performance based on given indicators:** The Financial Performance of the Company based on given indicators for the current and last three financial years were as under :

Rs.

Particulars	Year ended	Year ended	Year ended	Year ended
	31st March 2013	31st March 2012	31st March 2011	31st March 2010
<b>Turnover (Net)</b>	2,71,22,118	96,86,05,703	1,15,18,18,083	1,03,25,76,402
<b>Profit/(loss) After Tax</b>	2,11,87,278	24,04,53,234	5,75,56,062	3,41,59,098
<b>Preference dividend</b>	–	18,90,824	42,92,822	43,03,420
<b>Percentage of dividend</b>	–	11%*	11%*	11%
<b>Equity dividend</b>	–	1,11,37,500	74,25,000	74,25,000
<b>Percentage of equity dividend</b>	–	15%	10%	10%

\*The cumulative redeemable reference shares capital has been redeemed fully during the financial year 2011-12 alongwith 11% dividend given for the part of the year of which 117220 preference shares were redeemed during the year 2010-11.

5. **Export Performance:** The Company has exported its product in various countries in current and last three years as under :

Year	Export (Rs In Lacs)
2012-13	–
2011-12	1455.11
2010-11	1618.13
2009-10	2146.53

6. **Foreign Investments or Collaborators:** NIL

**II. Information about the Appointee :**

1. **Background :** Shri S. K. Jalan is a Bachelor in Commerce and holds Masters degree in Business Administration from USA and is aged about 50 years and has been associated with this Company as a Director since 2004 . Shri S. K. Jalan has served the Company with distinction for several years and has notable achievements to his credit. Before joining this Company he held the position of Chairman and Managing Director in Kilburn Office Automation Ltd.(Formerly Kilburn Reprographics Ltd.)and is currently holding the position of Chairman in Kilburn Office Automation Ltd.
2. **Past Remuneration :** As provided in the resolution.
3. **Recognition or Awards :** Not material.
4. **Job Profile and his suitability :** Shri S. K. Jalan is overall in charge of affairs and business of the Company subject to the superintendence, control and directions of the Board. Shri S. K. Jalan has very vast exposure not only in Finance, Commercial and Logistics, but also in other functions such as Sales and Marketing. The Board found Shri S. K. Jalan as best suited for the responsibilities assigned to him
5. **Remuneration Proposed :** Details are given in the Explanatory Statement.
6. **Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person :** After taking into consideration the nature and size of the Company, the profile of the appointee with the respective responsibilities to be shouldered by him, the remuneration proposed appears to be reasonable, justified and at par with other companies of same size in the industry .
7. **Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :** Apart from his employment, Shri S. K. Jalan does not have any other pecuniary relationship with the Company (except the shares held in the Company) or with any other managerial Personnel

**III. Other Information :**

1. **Reason of loss/Inadequacy of profit :** After the sale of the Chemical Division during the year 2011-12, the Company's business is entirely dependent on revenues from Power Generation from its Wind Turbine Generators. The Company's revenues and profit thus have dropped substantially in the interim, till such time the new Greenfield Project undertaken by the Company becomes operational.
2. **Steps taken or proposed to be taken for improvement :** The Company is in the process of setting up a new plant in Gujarat and is in the process of getting the various sanctions and approvals required there-for. The Company's profitability should start improving after the commencement of commercial production from the new Project.
3. **Expected increase in productivity and profits in measurable terms :** The Company's operations have been profitable in the past many years and the Company has been declaring Dividends regularly. The Company is confident that after commissioning of the new plant, the revenue growth and profitability will show substantial improvement as in the past.

The Board of Directors of the Company recommends the passing of the resolution by the shareholders as set out in Item No. 5 of the Notice.

None of the Directors except Shri S. K. Jalan is concerned or interested in the Resolution.

**KILBURN CHEMICALS LTD.****Directors seeking appointment/re-appointment in the Annual General Meeting scheduled to be held on 19th August, 2013**

<b>Name of the Director(s)</b>	<b>Shri V.Vanchi</b>	<b>Shri Anand Chatrath</b>	<b>Shri Tushar Mahendra Patel</b>
Age	66 years	54 years	47 years
Date of Appointment	30th January, 1992	29th January, 2007	9th November, 2012
Expertise in specific Functional Areas	Professional with over 43 years experience in projects, finance & general management	Chartered Accountant	Industrialist
Qualification	B.M.E. (Hons.) D.C.M.	B.Com, F.C.A.	B.Com, M.B.A.
List of outside Directorship held	1. Kilburn Office Automation Ltd. 2. Nirvan Commerical Co. Limited. 3. Sandeep Investments Ltd. 4. Kilburn Software Technologies India Ltd. 5. The Scottish Assam (India) Limited	1. Nicco Park & Resorts Ltd. 2. Chatrath Capital Services Pvt. Ltd. 3. AAC Construction Ltd. 4. Nicco Engineering Services Ltd. 5. Sunflag Commerical Pvt. Ltd. 6. Litease Advisory Pvt. Ltd.	1. Sanrhea Technical Textile Limited 2. Tejal Trading Private Limited 3. Mahendra Credit and Investment Co. Pvt. Ltd. 4. Avantika Investment Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman : 1. Remuneration Committee 2. Shareholder Grievance Committee	Chairman : Audit Committee	Member : Shareholder Grievance Committee
Chairman/Member of the Committees of Director of other Companies in which he is a Director			
(a) Audit Committee	NIL	Chairman : Nicco Park & Resorts Ltd.	NIL
(b) Remuneration Committee.	NIL	NIL	NIL
(c) Shareholders/ Investors Grievance Committee	Member: Kilburn Office Automation Ltd.	NIL	Member : Sanrhea Technical Textile Limited



**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2013.

**FINANCIAL HIGHLIGHTS**

	(Rs. In lacs)	
	<b>2012-13</b>	<b>2011-12</b>
Total Revenue	<b>271</b>	98582
Gross Operating Profit	<b>341</b>	1424
Depreciation for the year	<b>117</b>	326
Profit Before Extraordinary items and Tax	<b>224</b>	1098
Extraordinary items (Income)	–	3015
Profit Before Tax (PBT)	<b>224</b>	4113
Provision for Tax including Deferred Tax	<b>12</b>	1708
Net Profit After Tax (PAT)	<b>212</b>	2404
Add : Surplus / Loss brought forward from previous year	<b>3804</b>	1950
Profit available for Appropriation	<b>4016</b>	4354
Transfer to Preference Share Capital Redemption Reserve	–	274
Transfer to General Reserve	–	125
Proposed Dividend	–	130
Dividend Tax	–	21
Balance Carried Forward	<b>4016</b>	3804

**OPERATIONS**

During the year under review the Company has achieved turnover of Rs.2.71 crores which solely come from Wind Mills Operations. The figure of the last year are not comparable with the year under review. The profit before Tax is stood at Rs. 2.24 crores, in last year which is not comparable with the current year as the Company has sold its Chemical Division last year.

**EQUITY DIVIDEND**

In view of the sharp drop in profitability and with a view to conserve resources for the Company's Greenfield Project, the Directors felt it prudent to skip dividend on Equity Shares for the year.

**FUTURE OUTLOOK**

Your Directors are glad to report that the Company is in the process of setting up a new Project for production of both Anatase and Rutile Grades of Titanium Dioxide with an annual capacity of 15,000 MT in Gujarat, where the Company has already acquired land from Gujarat Industrial Development Corporation at Jolwa Village at Dahej.

The Company is in the process of tying up the term financial assistance for the Project and has appointed IDBI Capital Market Services for syndicating the necessary facilities. Simultaneously, the Company has commenced Detailed Engineering activities on the Project and is also pursuing the necessary regulatory clearances.

**CONSERVATION OF ENERGY**

The required information with regard to energy conservation and technology absorption as required under Section 217(1) (e) of the Companies Act, 1956, is given in Annexure A attached to this report.

**CORPORATE GOVERNANCE**

Pursuant to the provisions contained in the Listing Agreement with Stock Exchanges, a Report on Corporate Governance together with the Auditors' Certificate on the compliance of the conditions of the Corporate Governance is annexed. The Management Discussion and Analysis Report has not been annexed as the Company has only windmill operations in place.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (1) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates

## **KILBURN CHEMICALS LTD.**

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 the profit of the Company for year under review;

- (3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (4) That the Directors have prepared the Annual Accounts on a going concern basis.

### **COST AUDITOR**

The Board of Directors have appointed M/s. DGM & Associates, Cost Accountants, Kolkata, to audit the cost accounts of the Company for the financial year ended 31st March, 2013, in compliance with the Central Government directives in this regard.

### **DIRECTORS**

Shri V.Vanchi and Shri Anand Chatrath retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-election.

Shri B. P. Jalan, Chairman of the Company has submitted his resignation due to personal reason with effect from 9.11.2012. The Board has placed on record its appreciation for the valuable contribution made by him during his tenure as Chairman of the Company .

The Company has appointed Shri Tushar Mahendra Patel as a Director with effect from 9.11.2012 to fill the Causal vacancy caused due to resignation of Shri B. P. Jalan.

### **AUDITORS**

M/s G. P. Kejriwal & Associates, Chartered Accountants, retire at the conclusion of this meeting and being eligible offer themselves for re-appointment.

### **PARTICULARS OF EMPLOYEES**

Industrial relations in the Company continued to be cordial and satisfactory.

### **ACKNOWLEDGEMENT**

Your Directors are grateful for the co-operation and continued guidance and support extended by various agencies of Central Government and State Government (s) and various Government Departments and Agencies, Axis Bank Ltd., and HDFC Bank Ltd . Your Directors thank and express their gratitude to various stakeholders i.e customers, dealers, suppliers, advisors and consultants for their committed engagement with the Company . The Directors greatly appreciate the dedicated and sincere services rendered by the employees at all levels. Finally, the Directors express their gratitude to all the Shareholders for their support.

For and on behalf of the Board,  
Place : Kolkata **S. K. JALAN**  
Date : 30th May, 2013 *Managing Director*