



**KILBURN CHEMICALS LTD.**

**ANNUAL  
REPORT  
AND  
ACCOUNTS  
2016-2017**

*If undelivered please return to :*

**MAHESWARI DATAMATICS PVT. LTD.**

**Unit : Kilburn Chemicals Ltd.**

23, R.N. Mukherjee Road, 5th Floor

Kolkata - 700 001

**DIRECTORS**

S. K. JALAN – Managing Director  
V. VANCHI  
R. CHAUDHRI  
A. CHATRATH  
T. M. PATEL  
M. KEJRIWAL

**C.E.O.**

A. DUTTA

**C.F.O.**

S. SOMANI

**C.S.**

M. SHARMA

**BANKERS**

BANK OF BARODA  
STATE BANK OF INDIA

**AUDITORS**

V. SINGHI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
KOLKATA

**REGISTERED &  
CORPORATE OFFICE**

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

**REGISTRARS &  
SHARE TRANSFER AGENTS**

MAHESHWARI DATAMATICS PVT. LTD.  
23, R.N. MUKHERJEE ROAD, 5TH FLOOR  
KOLKATA-700 001.  
PHONE NO. (033)-2243-5809 / 5029  
FAX NO.(033)-2248-4787  
E-MAIL : mdpldc@yahoo.com

**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 27th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2017.

**FINANCIAL HIGHLIGHTS**

(Rs. In lacs)

	<b>2016-17</b>	<b>2015-16</b>
Total Revenue	1.25	107
Gross Operating Profit	28.24	462
Depreciation for the year	5.12	45
Profit/ (Loss) Before Extraordinary items and Tax	23.11	417
Profit Before Tax (PBT)	23.11	417
Provision for Tax including Deferred Tax	9.71	(64)
Net Profit After Tax (PAT)	13.41	480
Add : Surplus / Loss brought forward from previous year	4568	4088
Profit available for Appropriation	4581	4568
Balance carried forward	4581	4568

**GENERAL REVIEW OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

During the year under review the Company has achieved turnover of Rs.1.25 lacs on sales of product on trial run basis as compared to last year turnover Rs 107 lacs revenue came from its Wind Mill Division hence the result is not comparable. Company has reported profit after tax including deferred tax Rs.13.41 lacs as compared to Rs 417 lacs last year (which include the profit on sales of Wind Mill Division) hence not comparable. The Company has started setting up a new project for manufacturing Titanium Dioxide at Gujarat (for more Details please refer to future outlook).

**FUTURE OUTLOOK**

Your Directors are pleased to report on-schedule progress in the new Project for production of both Anatase and Rutile grade of Titanium Dioxide (annual capacity of 15000 tons) at Dahej, Gujarat. During the year under review, extensive progress has been made in civil and structural work and ordering and delivery of key equipments from most-reputed suppliers in each equipment category. Several of the imported equipments have also arrived at the Project site and are in various stages of erection along with electrical cabling and process piping.

The Company has obtained all relevant utility clearances with respect to availability of Water, Electricity and Natural Gas and other necessary regulatory clearances are in order

The Project is on schedule for trial production and commissioning to commence within the second quarter of the 2017-18 financial year.

**EQUITY DIVIDEND**

During the year under review the company is setting up Greenfield Project in Gujarat, Directors felt it prudent to plough back the internal accruals in new project and to skip dividend on Equity Shares for the year.

**TRANSFER TO RESERVES**

During the year under review, your directors do not propose to transfer any amount to any reserve. The

profit/ loss for the year under review has been shown under the head Reserve and surplus.

## **DEPOSITS**

The company has not accepted any deposit from the public and shareholders falling within the ambit of section 73 of the companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014

## **PARTICULARS OF LOAN GUARANTEES OR INVESTMENTS**

Details of Loan, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013, are given in the notes to the financial Statements.

## **SHARE CAPITAL**

The paid up Equity Share Capital as on March, 31, 2017 was Rs 10.13 Crores. During the year under review, the company has allotted 1185000 Equity Shares of Rs 10/- each at a premium of Rs 29/- each share on the option exercised by share warrant holder to convert their Share Warrants into Equity shares on which the company has received 25% of the amount at the time of issue of share warrant and remained 75% of the amount of issued price of Rs 39/ per warrant realized on the allotment of shares. The company has not granted any stock option to employees nor issued any Sweat Equity Shares or buy back of Shares of the Company.

## **EXTRACT OF THE ANNUAL RETURN**

Pursuant to section 92 (3) of the Companies Act 2013 (the Act) and Rules 12 (1) of the Companies (Management and Administration) Rules 2014, The details forming part of the extract of the Annual Return in the form MGT 9 is annexed herewith as annexure no. 1.

## **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Companies Act 2013 (the Act) and accounting standard (AS)-21 on Consolidated Financial Statements read with As -23 on accounting for Investments in Associated and As -27 on financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statement is not applicable to the company as company has no subsidiary, Joint Ventures and Associate company as define in Companies Act, 2013.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The company does not have any Subsidiary, Joint-Venture and Associate Company as per the Companies Act, 2013.

## **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 herewith. The Management Discussion and Analysis Report has not been annexed as the company does not have any business after Wind Mill Division sold.

## **CREDIT RATING**

CARE ( Credit Analysis and Research Ltd) has assigned Triple B Minus (BBB-). rating on the long term bank facilities of the company - The rating is valid for a period of one year.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the company, Shri. V. Vanchi (DIN: 00015985), Director of the company, retire by rotation at the ensuing Annual General Meeting of the company and being eligible has offered himself for re appointment.

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act 2013 and as per Regulation 25 of Listing Obligations and Disclosure Requirements, Regulation 2015 of the Listing Agreement.

Shri Sandeep kumar Jalan – Managing Director of the Company, Shri Ashim Dutta, Chief Executive

officer, Shri Sunil Kumar Somani – Chief Financial Officer and Shri Mukesh Sharma –Company Secretary are Key Managerial Personnel of the company.

### **PERFORMANCE EVALUATION OF BOARD**

In Compliance with the Companies Act 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review.

More details on the same is given in the Corporate Governance Report.

### **DETAILS OF BOARD AND COMMITTEE MEETING**

During the year under review, the Board of Directors has met 4 times. Details of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee meeting, its members and their attendance and terms of reference has been provided in the Corporate Governance Report.

The company has already framed a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More Details on the same is provided in the Corporate Governance Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that :

- A) In the preparation of the annual accounts for the year ended March 31,2017 , the applicable accounting standards read with requirements set out under Schedule III of the act , have been followed and there are no material departures from the same
- B) The Directors have 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 as at March 31,2017 and of the profit of the company for year ended on that date,
- C) The Directors have taken proper and sufficient care for the 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,
- D) The Directors have prepared the annual accounts on a going concern basis.
- E) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively ; and
- F) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **RELATED PARTY TRANACTIONS**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Regulations. There are no materially significant related party transactions made by the company with promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large or which warrants the approval of shareholders. Accordingly no transactions are being reported in Form AOC-2 in terms of section 134 of the act read with Rule -8of the Companies (Accounts)Rules 2014 . However the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtain which are of a repetitive nature.

### **CORPORATE SOCIAL RESPONSIBILITY**

In line with the provisions laid down under Section 135 of the Companies Act, 2013 and Rules made thereunder, the company has formed the CSR committee on 13.05.2016. CSR committee will decide the

amount to be spent in CSR programs and activities mentioned in Schedule Vii of the Companies Act, 2013

Details of the CSR activities undertaken by the company is annexed to this report as annexure –V

#### **VIGIL MACHANISM POLICY**

The Company has in place a Vigil Mechanism also known as Whistle Blower Policy pursuant to the requirements of the Companies Act 2013 and the Listing Agreement. The Policy empowers all the stakeholders to raise concerns and provided for adequate safeguards. Any employee and/or person dealing with the company can make disclosure about any wrong doing in company operations through a e-mail or through telephone or letter to the Chairman of the Audit Committee.

The policy on vigil mechanism or whistle Blower policy may be accessed on the company website at the link [www.kilburnchemicals.com](http://www.kilburnchemicals.com)

#### **POLICY ON NOMINATION AND REMUNERATION**

The Company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and senior management employees. The Remuneration Policy for the Directors and senior management employees is given in the Corporate Governance Report.

#### **RISK MANAGEMENT**

The Company has formulated risk management Policy which is well defining mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

On continuous basis risks are identified by the functional heads and which are discussed at various Committee or group level including Audit Committee and Board of Directors and systematically address to mitigate risk.

#### **INTERNAL FINANCIAL CONTROLS**

The company has in place the adequate internal financial controls systems with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness was observed.

#### **AUDITORS AND AUDITORS' REPORT**

M/s. V. Singhi & Associates, Chartered Accountants, the Statutory Auditors of the company retired at the ensuing Annual General Meeting of the company and are eligible for reappointment. They have furnished certificate regarding their eligibility, pursuant to Section 139(1) of the Companies Act, 2013 and read with relevant Rules. The Board of Directors recommends their re-appointment for one year.

The notes to the accounts referred to in the Auditors' Report are self explanatory.

The Auditors' Report for FY2016-17 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

Board of directors has reappointed M/S R C Jhawar & Company, Chartered Accountants as Internal Auditors of the company.

#### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Companies Act 2013 read with the Rules thereof, the company has reappointed M/s Sunil kumar Banerjee, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of Secretarial Auditors is annexed to this report as annexure -2. There are no adverse observations in the Secretarial Report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

There are no significant material orders passed by the regulators/ Court/Tribunals which would impact the going concern status of the Company and its future operations.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Company has, during the year under review, transferred a sum of Rs.213342.50/- to Investor Education and Protection Fund, in compliance with the provisions of Section 123,124 & 125 the companies Act, 2013. The said amount represents dividend for the financial year 2008-2009 which remained unclaimed by the members of the company for a period exceeding 7 years from its due date of payment.

### **PARTICULARS OF EMPLOYEES**

Industrial relations in the Company continued to be cordial and satisfactory. Particulars or details of the employees cover under the provisions of Section 197 of the Companies Act, 2013, read with Rules - 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report as annexure-3.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION , FOREIGN EXCHANGE EARNING AND OUT GO**

Statement pursuant to the provisions of section 134 (3)(m) of the Companies Act 2013 read with Rules 8 of the Companies (Accounts) Rules 2014 is annexed herewith as Annexure-4 During the year under review the company is setting up a new plant which has already focused on and matter related to energy saving equipment and latest technology. The further measure will be taken after the commencement of plant.

### **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, Bank of Baroda., and State Bank of India. 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.

Place : Kolkata

Date : 19th May, 2017

For and on behalf of the Board,

**S. K. JALAN**

MANAGING DIRECTOR



**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31.03.2017****[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 : L24117WB1990PLC199409
- (ii) Registration Date : 31.08.1990
- (iii) Name of the Company : KILBURN CHEMICALS LTD
- (iv) Category/Sub-Category of the Company : COMPANY LIMITED BY SHARES
- (v) Address of the Registered Office and Contact details : SHANTINIKETAN, 16TH FLOOR  
8,CAMAC STREET, KOLKATA-700017  
WEST BENGAL, Tel : 033-22828501
- (vi) Whether Listed Company : YES/NO : YES
- (vii) Name, Address and Contact details of Registrar & Transfer Agent, if any : MAHESHWARI DATAMATICS PVT.LTD.  
23, R.N. MUKHERJEE ROAD, 5TH FLOOR  
KOLKATA- 700001  
Tel : 033-22435029

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

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	N A	N A	N A	N A	N A

**iv(i). SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31st-March-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	25555	0	25555	0.2799	25555	0	25555	0.2477	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4204192	940000	5144192	56.3438	6329192	0	6329192	61.3591	23.0357
e) Banks/Fi									
f) Any other									
<b>Sub-total (A)(1)</b>	4229747	940000	5169747	56.6237	6354747	0	6354747	61.6068	22.9218
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	#DIV/0!
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	4229747	940000	5169747	56.6237	6354747	0	6354747	61.6068	22.9218
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	6700	6700	0.0734	0	6700	6700	0.0650	0.0000
b) Banks/FI	0	1000	1000	0.0110	0	1000	1000	0.0097	0.0000
c) Central Govt	100	0	100	0.0011	100	0	100	0.0010	0.0000
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									