

KAMARHATTY COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
a) Share Capital	2	56170000	56170000
b) Reserves and Surplus	3	271852039	260262976
		328022039	316432976
2. Non Current Liabilities			
a) Long Term Borrowings	4	134888891	171390424
b) Deferred Tax Liabilities (Net)	5	9,30,402	—
c) Long Term Provisions	6	—	—
		135819293	171390424
3. Current Liabilities			
a) Short Term Borrowings	7	92883641	75049959
b) Trade Payables	8	360884785	188825016
c) Other Current Liabilities	9	82568355	64924915
d) Short Term Provisions	10	41437157	40132814
		577773938	368932704
		1041615270	856756104
I. ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	380769617	258282749
ii) Intangible Assets	12	217378	268455
iii) Capital work in progress		13920608	124484736
		394907603	383035940
b) Non Current Investments	13	38097850	38097850
c) Long Term Loans and Advances	14	—	—
		433005453	421133790
2) Current Assets			
a) Inventories	15	324359801	146019747
b) Trade Receivables	16	150079983	79281715
c) Cash & Cash Equivalents	17	20254525	19995967
d) Short Term Loans and Advances	18	113915508	190324885
		608609817	435622314
TOTAL		1041615270	856756104

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 30th day of May, 2016.

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, 2016**

	Note	31st March, 2016 Rs.	31st March, 2015 Rs.
I. INCOME			
Revenue from operations (Gross)		1477159992	1438824725
Less : Cess duty & Excise Duty		<u>22573054</u>	<u>23216827</u>
Revenue from operations (net)	19	1454586938	1415607898
Other Income	20	44573912	54115084
Total Revenue		<u>1499160850</u>	<u>1469722982</u>
II. EXPENSES			
Cost of Materials Consumed	21	975047504	723940452
Purchases of Finished and Semi Finished goods		69472707	39347582
Change in inventories of finished goods and Stock in process	22	(156635510)	85301644
Employee benefit expenses	23	293745569	314882585
Finance Costs	24	28391443	31408802
Depreciation and amortisation expense	25	32161513	26846530
Other Expenses	26	247026003	268323041
Total Expenses		<u>1489209229</u>	<u>1490050636</u>
III. Profit /(Loss) before Tax		9951621	(20327654)
IV. Tax Expense:			
– Current tax		—	—
– Minimum Alternative Tax		(1896281)	—
– Deferred Tax Liability/(Reversal)		<u>930402</u>	<u>(404032)</u>
		(965879)	(404032)
V. Profit / (Loss) for the year		<u>10917500</u>	<u>(19923622)</u>
VI. Earnings per Equity Share			
(nominal value of share Rs. 10/- each)			
Basic and Diluted	27	1.94	(3.55)

Significant Accounting Policies and Notes to the Financial Statements 1

The accompanying Notes 1 to 30 are an integral part of the Financial Statements.

As per our report of even date

For S. S. KOTHARI & CO.

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(Registration No. 302034E)

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KAMARHATTY COMPANY LIMITED

Cash Flow Statement for the Year ended 31st March, 2016 as per the Listing Agreement

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow from Operating Activities :				
Net Profit/(Loss) before Tax & extraordinary items		9951621		(20327654)
Adjustment for :				
Depreciation	32161513		26846530	
Finance cost	28391443		31408802	
Sundry Balance written back	(362740)		(1,19,244)	
Interest income	(2635434)		(1783362)	
Loss on sale of fixed assets	257041		—	
Bad Debts Written Off	—		28678	
Profit on Sale of Assets	(1982081)	55829742	(11420292)	44961112
Operating Profit before Working Capital Changes		65781363		24633458
Adjustment for :				
Trade & other receivables	9442549		7266329	
Trade payable, Other Current Liabilities and Provisions	190065949		(109836902)	
Inventories	(177035711)	22472787	152804209	50233636
Cash generated from operations		88254150		74867094
Direct Taxes Paid		(2568543)		(6061141)
Net Cash Generated from Operating Activities		85685607		68805953
B. Cash Flow from Investing Activities :				
Capital Work in progress	(7812451)		(5007758)	
Purchase of Fixed Assets	(40697616)		(18569833)	
Proceeds from Sale of Assets- Net of VAT	2240476		11780000	
Interest Received	2635434		1783362	
Net Cash used in Investing Activities		(43634157)		(10014229)
C. Cash Flow from Financing Activities				
Proceeds from Short Term Borrowings	17833682		(17342629)	
Proceeds from Long Term Borrowings	(36501533)		(6501095)	
Interest paid	(28391443)		(31408802)	
Capital Subsidy received	5266402		—	
Net Cash used in Financing Activities		(41792892)		(55252526)
Net Increase in Cash & Cash equivalents		258558		3539198
Cash & Cash equivalents - Opening balance		19995967		16456769
Cash & Cash equivalents - Closing balance		20254525		19995967

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)

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KAMARHATTY COMPANY LIMITED
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 / Revalued 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, 2016 has neither been ascertained nor been provided for in accounts. Also liability in respect of employees who have retired till 31.03.2016, 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 31.03.2016		As at 31.03.2015	
	No of Shares	Rs.	No of Shares	Rs.
2. SHARE CAPITAL				
AUTHORISED				
60,00,000 (31-03-2015 – 60,00,000) Equity shares of Rs.10/- each	60000000		60000000	
1,00,000 (31-03-2015 – 1,00,000) Preference Shares of Rs. 100/- each	10000000		10000000	
	<u>70000000</u>		<u>70000000</u>	
ISSUED, SUBSCRIBED AND FULLY PAID UP				
56,17,000 (31-03-2015 – 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 :				
	<u>No. of shares held</u>	% of Holding	<u>No. of shares held</u>	% 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	10.48
vi) Sri Sushant Kumar Agarwal	3,70,000	6.59	3,70,000	6.59
c) Rights attached to each class of share capital				
1) Ordinary shares of Rs. 10 each				
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				
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				
v) Shares allotted as fully paid bonus shares by way of capitalisation of Reserves.				
	1,92,000		1,92,000	
vi) No shares have been allotted for consideration other than cash during last 5 years				

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

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
3. RESERVES AND SURPLUS		
A. REVALUATION RESERVE		
At Commencement of the year	26816868	26877740
Less : Transfer to Statement of Profit & Loss A/c as reduction from depreciation	—	(60872)
Less : Adjustment on account of foreign exchange difference on account of buyers credit from bank in the FY – 2012-2013 for capital expenditure	(2714995)	—
	<u>24101873</u>	<u>26816868</u>
B. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As Per last Balance Sheet	184815821	204739443
Add : Profit/(Loss) for the year	10917500	(19923622)
Balance as at the end of the year	<u>195733321</u>	<u>184815821</u>
C. SECURITIES PREMIUM ACCOUNT	20400000	20400000
D. CAPITAL REDEMPTION RESERVE	4000000	4000000
E. CAPITAL RESERVE		
CAPITAL SUBSIDY	24230287	26269669
Add : Received during the year	52,66,402	—
Less : Transfer to Statement of Profit and Loss account as reduction from depreciation	(1879844)	(2039382)
	<u>27616845</u>	<u>24230287</u>
Total	<u>271852039</u>	<u>260262976</u>
4. LONG TERM BORROWINGS		
I. SECURED LOANS		
(i) TERM LOAN		
a From Banks (Refer note (i), (ii) below	54586620	48469397
b Buyers Credit from Bank for Capital Expenditure (Note-iii)	—	24061237
(ii) OTHER LOAN		
a Car Loan (Note-iv)	1703910	2285861
II. UNSECURED LOANS		
a Loan from Others	82147858	100281353
b Security Deposit	16950077	16776076
	<u>155388465</u>	<u>191873924</u>
Less : Current Maturities of Long Term Borrowings and disclosed under the head Other Current Liabilities (Note No. 9) :-		
Secured Loan		
From Bank	18795664	18878500
from Others	1703910	20483500
TOTAL	<u>134888891</u>	<u>171390424</u>

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. 19,71,865/- (31.3.2015 – Rs. 1,07,87,180/-) 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.5,26,14,755/- (31.3.2015 – Rs.3,76,82,217/-) 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 Buyers Credit from Allahabad Bank against 100% margin in the form of fixed deposit for purchase of Capital assets towards modernisation of Jute Mill of the Company for aggregated value of US \$ 4,18,450.	
iv Car loan secured by hypothecation of Motor Car.	

	As on 01.04.2015 Rs.	increase / (decrease)	As on 31.03.2016 Rs.
5. DEFERRED TAX			
Deferred Tax Liabilities :			
a) On account of difference in book and tax depreciaton	—	9,30,402	9,30,402
Deferred Tax Assets :			
b) On account of difference in book and tax depreciation	—	—	—
Deferred Tax (Assets) / Liabilities (net)	—	9,30,402	9,30,402

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
6. LONG TERM PROVISIONS		
Provisions for Gratuity	—	—
	—	—

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

	As on 31.03.2016 Rs.	As on 31.03.2015 Rs
7. SHORT TERM BORROWINGS		
Secured		
Cash Credit facilities from Allahabad Bank	92883641	75049959
Refer note (a)		
TOTAL	92883641	75049959
Notes :-		
a) Cash Credit from Bank amounting to Rs. 9,28,83,641/- (31.3.2015 - Rs. 7,50,49,959/-) 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.		
8. TRADE PAYABLES		
a) Due to Micro, small and medium Enterprises [Note (a)]	—	—
b) Others	360884785	188825016
TOTAL	360884785	188825016
Note - (a)		
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 31.03.2016		
9. OTHER CURRENT LIABILITIES		
Current maturities of Long term debt (also refe Note 4)	20499574	20483500
Advance received from Customers	270571	5219747
Statutory dues	23539072	21988258
Electricity dues	12694778	7271423
Unclaimed Preference shareholder account	1206300	1337100
Others	24358060	8624887
TOTAL	82568355	64924915
10. SHORT TERM PROVISIONS		
a Cess / Excise Duty on Stock	2342778	1038435
b Provision for Taxation	39094379	39094379
TOTAL	41437157	40132814

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

11. TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Addition during the Year	Sales/Adjustment during the Year	As on 31.03.2016	As on 01.04.2015	For the Year	Adjust- ment for Disposals	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND (FREE HOLD)	16496584	—	—	16496584	—	—	—	—	16496584	16496584
BUILDING	85944195	10155791	—	96099986	37651782	1649322	—	39301104	56798882	48292413
PLANT & MACHINERY	379498830	131570969	1358437	509711362	223029387	25438324	1290518	247177193	262534169	156469443
COGENERATION	25950504	4487048	—	30437552	15948978	2723650	—	18672628	11764924	10001526
COMPUTER	4462018	595563	—	5057581	3613302	204118	—	3817420	1240161	848716
ELECTRIC INSTALLATION	26848048	7443767	—	34291815	13123122	2222701	—	15345823	18945992	13724926
TUBEWELL & WATER SUPPLY	1538726	—	—	1538726	706367	58314	—	764681	774045	832359
FURNITURE FIXTURE & OTHER OFFICE EQUIPMENTS	11231908	1191281	—	12423189	6273359	560144	—	6833503	5589686	4958549
MOTOR VEHICLES	13299655	1548165	642456	14205364	6641422	1133707	194939	7580190	6625174	6658233
TOTAL	565270468	156992584	2000893	720262159	306987719	33990280	1485457	339492542	380769617	258282749
PREVIOUS YEAR	551407604	18569833	4706969	565270468	282439272	28895708	4347261	306987719		
CAPITAL WORK IN PROGRESS	124484736	7812451	118376579	13920608	—	—	—	—	13920608	124484736

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

12. INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Addition during the Year	Sales/Adjustment during the Year	As on 31.03.2016	As on 01.04.2015	For the Year	Adjust- ment for Disposals	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	3326023	—	—	3326023	3057568	51076	—	3108645	217378	268455
TOTAL	3326023	—	—	3326023	3057568	51076	—	3108645	217378	268455
PREVIOUS YEAR	3326023	—	—	3326023	3006492	51076	—	3057568		
TOTAL (11+12)	568596491	156992584	2000893	723588182	310045287	34041357	1485457	342601187	380986995	258551204
PREVIOUS YEAR	554733627	18569833	4706969	568596491	285445764	28946784	4347261	310045287		

- NOTE :**
1. Motor vehicles include Rs. 17,03,910/- acquired under financing scheme with EMI payments.
 2. Capital Work in Progress includes an amount of Rs. 50,35,631/- representing purchase of Land at North (24) Parganas, West Bengal towards Company's proposed new diversification Project and Rs. 88,84,977/- towards 19 No Godown at the mill compound.
 3. Capital work in Progress includes an amount of Rs. 11,14,70,587/- capitalised during the year under different heads in the books of accounts on account of Jute Fine Yarn Unit which commenced its production from 01.08.2015. Depreciation in the books is calculated on this amount from the date of its production i.e. from 01.08.2015.

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	No. of Shares/ Debenture	Face Value per Share	As at 31.03.2016	As at 31.03.2015
		Rs.	Rs.	Rs.
13. NON CURRENT INVESTMENTS				
a) TRADE INVESTMENTS				
UNQUOTED – AT COST				
Investment in Subsidiary				
KAMARHATTY POWER LIMITED (Equity Shares of Rs.10/- each fully paid up)	25,20,750	10	37811250	37811250
b) OTHER INVESTMENTS				
UNQUOTED – AT COST				
YATAN TRADE LINK (P) LTD (Equity Shares of Rs.10/- each fully paid up)	1250	10	250000	250000
Kamarhatty Jute Mill Employees. Consumers Co-Op. Stores Ltd. B' Class Redeemable shares of Rs. 10 each	250	10	2500	2500
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd.) 1/2% Debenture	71	100	7100	7100
Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd.) Non redeemable 5% Debentures Stock 1957			26000	26000
7 Years National Saving Certificates (Deposited with Govt. Department)			1000	1000
TOTAL			38097850	38097850
Aggregate amount of Unquoted Investments			38097850	38097850

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

	<u>31.03.2016</u> Rs.	<u>31.03.2015</u> Rs.
14. LONG TERM LOANS AND ADVANCES		
Unsecured and considered good		
Loan to Employees	—	—
TOTAL	<u>—</u>	<u>—</u>
15. INVENTORIES		
(Valued at lower of Cost and Net realizable value)		
Raw Materials	36834282	12934430
Finished goods	204956916	68997313
Stock-in-Process	55961000	33980750
Stores and spares parts	22591292	24225402
Coal	4016311	5881852
TOTAL	<u>324359801</u>	<u>146019747</u>
16. TRADE RECEIVABLES		
Unsecured, considered good		
outstanding for a period exceeding six months		
Considered good	—	—
Considered doubtful	—	—
Other Trade Receivables	<u>150079983</u>	<u>79281715</u>
TOTAL	<u>150079983</u>	<u>79281715</u>
17. CASH AND CASH EQUIVALENTS		
Cash balance on hand	3087921	738853
Balance with Scheduled Banks :		
in Current Account	2014638	1225190
on L/C Margin Account		
in Fixed Deposits	15025438	16192989
in Current Account	<u>126528</u>	<u>1838935</u>
TOTAL	<u>20254525</u>	<u>19995967</u>

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>31.03.2016</u> <u>Rs.</u>	<u>31.03.2015</u> <u>Rs.</u>
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
a) Loans and Advances to Related Parties [Note No. 28(g)]	3519792	109374842
b) Deposits	422935	448466
c) Other Loans and Advances		
i) Loans to Employees	572079	856930
ii) Balance with Statutory / Government Authorities	2663113	2294610
iii) Advance to Suppliers	33707610	13473258
iv) Advances recoverable in cash or in kind or for value to be received	18024048	13362507
v) Mat Credit Entitlement	4765042	2868761
vi) Advance payment against taxes	50240889	47645511
TOTAL	<u>113915508</u>	<u>190324885</u>
	<u>31st March, 2016</u> <u>Rs.</u>	<u>31st March, 2015</u> <u>Rs.</u>
19. REVENUE FROM OPERATIONS		
Details of Products Sold		
<u>Particulars</u>		
Jute Goods	1302905117	1270258927
Kraft paper	151681821	145348971
	<u>1454586938</u>	<u>1415607898</u>
20. OTHER INCOME		
Interest on Deposits (Gross) :	2635434	1783362
(Tax deducted at source Rs. 1,59,733/- Previous Year - Rs. 1,77,488/-)		
Rent (Gross) :	22518692	19309759
(Tax deducted at source Rs. 23,01,634/- Previous Year - Rs. 19,50,347/-)		
Profit on Sale of Fixed Assets	1982081	11420291
Insurance Claim	—	5115527
Miscellaneous Income (Tax deducted at source 1,08,552/-)	15465209	14590688
Sale of Scrap	767400	1568646
Export Duty Drawback (cash basis)	1205096	326811
	<u>44573912</u>	<u>54115084</u>

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

	<u>31st March, 2016</u> Rs.	<u>31st March, 2015</u> Rs.
21. COST OF MATERIALS CONSUMED		
<u>Details of principal Raw material Consumed</u>		
Raw Jute	853179402	602531764
Packing Material	7566953	—
Jute Batching Oil	17114725	19099123
Dye Material and other waste paper processing material	19145328	12411392
Waste Paper	78041097	89898173
	<u>975047504</u>	<u>723940452</u>

	<u>31st March, 2016</u> Rs.	<u>31st March, 2015</u> Rs.
22. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS		
OPENING STOCK :		
Finished Goods	68997313	142407009
Stock-in-process	33980750	46597350
Total A	<u>102978063</u>	<u>189004359</u>
Less :		
CLOSING STOCK :		
Finished Goods	204956916	68997313
Stock-in-process	55961000	33980750
Total B	<u>260917916</u>	<u>102978063</u>
	<u>(157939853)</u>	<u>86026296</u>
Less : Cess / Excise Duty provision		
On Inventory :		
ON CLOSING STOCK	2342778	1038435
ON OPENING STOCK	1038435	1763087
(Increase) / Decrease in stock	<u>(156635510)</u>	<u>85301644</u>

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>31st March, 2016</u>		<u>31st March, 2015</u>
	<u>Rs.</u>		<u>Rs.</u>
23. EMPLOYEE BENEFIT EXPENSES			
Salary, Wages and Bonus	258137416		268704217
Gratuity	7727681		15045562
Contribution to Provident Fund & Other Funds	26680798		29581672
Staff welfare	1199674		1551134
TOTAL	<u>293745569</u>		<u>314882585</u>
24. FINANCIAL COST			
a) Interest on Loan	17061343		18711441
b) Interest - others	11330100		12697361
TOTAL	<u>28391443</u>		<u>31408802</u>
25. DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation on Tangible Assets	33990280		28895708
Depreciation on Intangible Assets	51077		51076
	<u>34041357</u>		<u>28946784</u>
Less : Transferred from Revaluation Reserve	—	60872	
Less : Transferred from Capital Reserve (capital subsidy)	<u>1879844</u>	<u>2039382</u>	<u>2100254</u>
TOTAL	<u>32161513</u>		<u>26846530</u>

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

	31.03.2016	31.03.2015
	Rs.	Rs.
26. OTHER EXPENSES		
Stores and spares consumed	25681971	33086148
Power and fuel	121689851	127764220
Repair to Building	1852473	3460439
Repair to Plant and Machinery	20418377	26595506
Repair to Others	5846100	5776230
Branding and Processing charges	6820067	10200141
Brokerage and Commission	12769613	9687557
Transport Charges	3427517	4033578
Advertisement	95514	439744
Bank charges	2426426	2417909
Conveyance	400856	594276
Coolie and Cartage	9260	4610
Electric charges	1039740	940219
Filing Fees	37900	6600
Listing Fees	28090	19663
Hire Charges	154534	297523
Legal Expenses	501655	485048
Motor Car Expenses	1988275	2398125
Office Maintenance	1569769	1908967
Postage & Telegram	98279	112917
Printing & Stationery	919916	846969
Subscription	1465073	2023760
Telephone Expenses	1228957	1237031
Travelling Expenses	505080	1384895
Loss on Car Sale	257041	—
Security Charges	1579182	1737876
Rates & Taxes	3655011	2191184
Rent	468000	468000
Insurance Charges	2744830	3373750
Bad Debts written off	—	28678
Miscellaneous Expenses	19899831	18868773
Auditors' Remuneration (note a)	84270	84270
Directors' Remuneration	3300200	3177679
Director Fees	144000	156000
Professional Fees	3918345	2514756
TOTAL	247026003	268323041

Note (a)

Details of Payment to Auditor

As Auditor

Audit Fees	67416	67416
Tax Audit	16854	16854

Other Capacity

Certification	—	0
	84270	84270

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

		31.03.2016	31.03.2015
		Rs.	Rs.
27. EARNING PER SHARE (EPS)			
Profit after tax		10917500	(19923622)
Net Profit for Calculation of Basic and Diluted EPS (A)		10917500	(19923622)
Weighted average number of shares outstanding (B) of Rs. 10/- each.		5617000	5617000
Basic and Diluted Earning per share	A/B	1.94	(3.55)

28. ADDITIONAL NOTES TO FINANCIAL STATEMENTS

		31.03.2016	31.03.2015
		Rs.	Rs.
a)	Contingent Liability not provided for in respect of		
	(i) Bank Guarantee – Subsidiary	518000	2202328
	Others	37100000	35051000
	(ii) Demand of different Statutory authorities pending appeal	214938218	250449123
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 th 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. 913.79 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. 1118.00 lakhs from the WBSEC and refunded the Loan of Rs. 1118.00 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 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) Keshava Jute Mills Pvt. Ltd.	Company in which Director is interested as a Director.
h) Tornado Consultants Ltd.	Company in which Director is interested as a Director.
i) Yatan Tradelink Pvt. Ltd.	Company in which Director is interested as a 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
Shri R. Singh,	Company Secretary

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 :

	31.03.2016	31.03.2015
	Rs.	Rs.
B. P. Agarwal	11,70,000	11,55,600
S. K. Agarwal	11,23,200	11,08,800
H. Nahata	10,07,000	9,13,279
R. Singh	2,00,000	—
Total	<u>35,00,200</u>	<u>31,77,679</u>

KAMARHATTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

ii) Unsecured loan taken from directors and their Relatives :

Name of the person	31-03-2016		31-03-2015	
	Loan Taken Rs.	Outstanding Rs.	Loan Taken Rs.	Outstanding Rs.
Shri S. K. Agarwal	500000	760000	1450000	290000
Shri H. K. Agarwal	250000	1545000	765000	1455000
Shri D. K. Agarwal	675000	4630000	2015000	4105000
Shri B. P. Agarwal	725000	75000	425000	50000
Smt. Sakuntala Devi Agarwal	150000	2780000	675000	2760000
Smt. Kalpana Agarwal	400000	2285000	1075000	1985000
Shri B. P. Agarwal (HUF)	685000	2625000	905000	1965000
Shri S. K. Agarwal (HUF)	950000	4285000	605000	3335000
Shri Ramesh Kr. Agarwal (HUF)	250000	1350000	100000	1100000
Smt. Sweta Agarwal	225000	1060000	125000	975000
Smt. Paridhi Agarwal	—	750000	300000	750000
Smt. Udisha Agarwal	550000	1580000	450000	1150000
Smt. Sarita Agarwal	350000	2815000	100000	2620000
Smt. Priti Agarwal	200000	900000	270000	1400000
Shri Rajendra Kr. Bansal	—	295000	—	295000
Shri Hitesh Kr. Agarwal (HUF)	690000	3390000	1430000	2800000
Shri Jagdish Prasad Bansal (HUF)	—	90000	—	90000
J. P. Bansal Family Trust	—	500000	—	500000
Smt. Hema Bansal	—	2230000	—	2230000
Shri Dharmesh Kumar Agarwal (HUF)	810000	1600000	805000	1470000
Shri Ramesh Agarwal	350000	1350000	550000	1000000

- iii) Malsisar Converting Machinery Pvt. Ltd. : Loan refunded to the Company - Rs. 6.50 lakhs
(Balances outstanding as on 31.3.16 - Rs. 320.14 lacs)
- iv) Kamarhatty Power Ltd. : (Balances outstanding as on 31.03.2016
Rs. 12.33 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 31.03.2016 - Rs. 73.98 lacs)

g)	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value Rs.	%	Value Rs.	%
(i) C.I.F. Value of Imports :				
Capital Goods (Capitalised Rs. 24664560/- during the year)	36240172	24.61	NIL	—
Raw Materials	109071400	74.07	65754507	92.33
Finished goods & Semi finished goods	1924465	1.32	4742285	7.67
	147236037	100	70496792	100

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value Rs.	%	Value Rs.	%
(ii) Earnings in Foreign Currency				
FOB Value of Exports	24246707	—	6464631	—
(iii) Raw Materials Consumption				
Imported (Raw Material)	109071400	11.19	65754507	9.50
Indigenous (Raw Material)	865976104	88.81	658185945	90.50
	975047504	100.00	723940452	100.00
(iv) Value of Stores & Spares consumed :				
Indigenous (100%) (including labour charges)	53798921	100.00	63142093	100.00

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

KAMARHATTY COMPANY LIMITED

29 SEGMENT REPORTING - Primary Segment information (Business Segment)

	Jute 2015-2016	Paper 2015-2016	Elimination 2015-2016	Total 2015-2016 Rs.	Jute 2014-2015	Paper 2014-2015	Elimination 2014-2015	Total 2014-2015 Rs.
A. Revenue :								
External Sales	1302905117	151681821	—	1454586938	1270258927	145348971	—	1415607898
Inter-Segment Sales	—	—	—	—	—	—	—	—
Total Revenue	1302905117	151681821	—	1454586938	1270258927	145348971	—	1415607898
B. Results :								
Segment Result	31592493	(9564640)		22027853	586075	-180715		405360
Unallocated Corporate income net of un-allocated Corporate expenses				11697696				(2527865)
Profit before interest, etc and taxation				33725549				(2122505)
Interest expense (net of Interest Income)				(25756009)				(29625440)
Profit on Sale of Fixed Assets				1982081				11420291
Tax expenses (MAT)				965879				(404032)
Profit/(Loss) after Tax				10917500				(19923622)
C. Other Information :								
Segment Assets	862545581	94328026	(9453042)	947420565	681371336	98604228	(9723519)	770252045
Unallocated Corporate assets				91471516				86504058
Total Assets				1038892081				856756103
Segment Liabilities	533518307	51769622	(9453042)	575834887	335274432	41716035	(9723519)	367266948
Unallocated Corporate Liabilities				135035155				173056180
Total Liabilities				710870042				540323128
Capital Expenditure	31770148	7736187		39506335	19874741	3603478		23478219
Unallocated Capital Expenditure				1191281				99372
Depreciation	26543525	1760631		28304156	20998977	1820224		22819201
Unallocated Depreciation				3857357				4027329

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

Signature to Notes '1' to '30' 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 30th day of May, 2016.

S. K. Agarwal
Managing Director

B. P. Agarwal
Wholetime Director

P. Rakshit
CFO

R. Singh
CS

KAMARHATTY COMPANY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
a) Share Capital	2	56170000	56170000
b) Reserves and Surplus	3	191300913	131682797
		247470913	187852797
2. Non Current Liabilities			
a) Long Term Borrowings	4	153525141	328170292
b) Deferred Tax Liabilities (Net)	5	930402	—
c) Long Term Provisions	6	—	—
		154455543	328170292
3. Current Liabilities			
a) Short Term Borrowings	7	92883641	75049959
b) Trade Payables	8	360884785	188825016
c) Other Current Liabilities	9	128869153	105677422
d) Short Term Provisions	10	41500871	40196528
		624138450	409748925
TOTAL		1026064906	925772014
II ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	380769616	399226528
ii) Intangible Assets	12	217379	268455
iii) Capital work in progress		13920608	124484736
		394907603	523979719
b) Non Current Investments	13	286600	286600
c) Long Term Loans and Advances	14	—	—
		395194203	524266319
2. Minority Interest			
		25328482	51610828
3. Current Assets			
a) Inventories	15	324359801	152472463
b) Trade Receivables	16	150079984	79281716
c) Cash & Cash Equivalents	17	20295070	21355542
d) Short Term Loans and Advances	18	110807367	96785146
		605542221	349894867
TOTAL		1026064906	925772014

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 30th day of May, 2016.

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, 2016**

	Note	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
I. INCOME			
Revenue from operations (Gross)		1477159992	1438824725
Less : Cess duty & Education cess		22573054	23216827
Revenue from operations (net)	19	1454586938	1415607898
Other Income	20	126968667	54235574
Total Revenue		1581555605	1469843472
II. EXPENSES			
Cost of Materials consumed	21	975047505	723940452
Purchases of Finished and Semi Finished goods		69472706	39347582
Change in inventories of finished goods and stock in process	22	(156635510)	85301644
Employee benefit expenses	23	293745569	314891388
Finance Costs	24	29000852	32680802
Depreciation and amortisation expenses	25	32161513	35214238
Other expenses	26	252064080	272261925
Total Expenses		1494856715	1503638031
III. PROFIT before Tax		86698890	(33794559)
IV. Tax Expense :			
– Current tax		—	—
– Minimum Alternative Tax		(1896281)	—
– Deferred Tax / (Reversal)		930402	(404032)
		(965879)	(404032)
V. Profit/(Loss) After Tax before Minority Interest		87664769	(33390527)
Less : Profit/(Loss) Attributable to Minority Interest		28381140	(4980062)
VI. Profit/(Loss) After Tax after Minority Interest		59283629	(28410465)
VI. Earnings Per Equity Share			
(nominal value of share Rs. 10/- each)			
Basic and Diluted	27	15.61	(5.94)

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 30th day of May, 2016.

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, 2016 as per the Listing Agreement

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities :				
Net Profit before Tax & extraordinary items		86698890		(33794559)
Adjustment for :				
Depreciaton	32161513		35214238	
Finance cost	29000852		32680802	
Interest income	(2791478)		(1903852)	
Loss on sale of Fixed Assets	257041		—	
Profit on sale of Fixed Assets	(1982081)		(11420291)	
Bad debts written off	—	56645847	28678	54599575
Operating Profit before Working Capital changes		143344737		20805016
Adjustment for :				
Trade & other receivables	(88196023)		10735035	
Trade payable & Others	195251500		(108331529)	
Inventories	(170582995)	(63527517)	152804209	55207715
Cash generated from operations		79817220		76012731
Income tax paid		—		(6061141)
Net Cash (USED)/ generated from Operating Activities		79817220		69951590
B. Cash Flow from Investing Activities:				
Capital Work in progress	(7812451)		(5007758)	
Purchase of Fixed Assets	(40697616)		(18569833)	
Proceeds from Sale of Assets	2240476		11780000	
Addustment of Subsidiary Extinguishment of Assets	143146341		—	
Interest Received	2791478		1903852	
Net Cash used in Investing Activities		99668228		(9893739)
C. Cash Flow from Financing Activities				
Proceeds from Short Term Borrowings	17833681		(17342630)	
Proceeds from Long Term Borrowings	(174645151)		(6354662)	
Interest paid	(29000852)		(32680802)	
Capital subsidy received	5266402		—	
Net Cash (USED) / Generated from Financing Activities		(180545920)		(56378094)
Net Increase in Cash & Cash equivalentents		(1060472)		3679757
Cash & Cash equivalentents - Opening balance		21355541		17675784
Cash & Cash equivalentents - Closing balance		20295069		21355541

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 30th day of May, 2016.

S. K. Agarwal
Managing Director

B. P. Agarwal
Wholetime Director

P. Rakshit
CFO

R. Singh
CS

KAMARHATTY COMPANY LIMITED
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 31-3-2016</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 / Revalued 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, 2016 has neither been ascertained nor been provided for in accounts. Also liability in respect of employees who have retired till 31.03.2016, has neither been ascertained nor provided in the accounts. The same will be accounted for as and when paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- 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 31.03.2016		As at 31.03.2015	
	No of Shares	Rs.	No of Shares	Rs.
2. SHARE CAPITAL				
AUTHORISED				
60,00,000 (31-03-2015 – 60,00,000) Equity shares of Rs.10/- each		60000000		60000000
1,00,000 (31-03-2015 - 1,00,000) Preference Shares of Rs. 100/- each		10000000		10000000
		<u>70000000</u>		<u>70000000</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP				
56,17,000 (31-03-2015 – 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	14.8656
ii) Malsisar Converting Machinery Pvt Ltd.	5,50,000	9.79	5,50,000	9.7917
iii) Echolac Trexim Ltd.	5,00,000	8.90	5,00,000	8.9015
iv) Niramaya Investment & Dealers Ltd.	2,91,100	5.18	2,91,100	5.1825
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				
1) Ordinary shares of Rs. 10 each				
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				
v) Shares allotted as fully paid bonus shares by way of capitalisation of Reserves.	1,92,000		1,92,000	

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

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
3. RESERVES AND SURPLUS		
A. REVALUATION RESERVE		
AT Commencement of the year	26816868	26877740
Less : Transfer to Statement of Profit and Loss Account as reduction from depreciation	(2714995)	(60872)
	24101873	26816868
B. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As Per last Balance Sheet	55898566	84309031
Add : Profit for the year	59283629	(28410465)
Balance as at the end of the year	115182195	55898566
Less : Transfer to Capital Redemption Reserve	—	—
	115182195	55898566
C. SECURITIES PREMIUM ACCOUNT	20400000	20400000
D. CAPITAL REDEMPTION RESERVE	4000000	4000000
E. CAPITAL RESERVE		
CAPITAL SUBSIDY	26666155	27261267
Add : Received during the year	5266402	—
Less : Transfer to statement of profit and Loss account as reduction from depreciation	(4315712)	(2693904)
	27616845	24567363
Total	191300913	131682797

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
4. LONG TERM BORROWINGS		
I. SECURED LOANS		
(i) TERM LOAN		
a From Banks Refer note (i) & (ii) below	54586620	48469397
From WBIDC	—	126171000
b Buyers Credit from Bank for Capital Expenditure (Note iii)	—	24061237
c CAR LOAN (Refer Note iv)	1703910	2285861
(ii) OTHER LOAN		
II. UNSECURED LOANS		
A From Others	100784108	130890221
B Security Deposit	16950077	16776076
	174024715	348653792
Less : Current Maturities of Long Term Borrowings and disclosed under the head Other Current Liabilities (Note No.9) :-		
Term Loan		
From Bank	18795664	18878500
from Others	1703910	20499574
	20499574	1605000
TOTAL	153525141	328170292

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.19,71,865/- (31.3.2015 – Rs. 1,07,87,180/-) 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.5,26,14,755/- (31.3.2015 – Rs. 3,76,82,217/-) 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 Buyers Credit from Allahabad Bank against 100% margin in the form of fixed deposit for purchase of Capital assets towards modernisation of Jute Mill of the Company for aggregated value of US \$ 4,18,450/-	
iv Car Loan secured by hypothecation of Motor Car	

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	As on 01.04.2015 Rs.	increase / (decrease)	As on 31.03.2016 Rs.
5. DEFERRED TAX			
Deferred Tax Liabilities :			
a) On account of difference in book and tax depreciation	—	930402	930402
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	930402

	As on 31.03.2016 Rs.	As on 31.03.2015 Rs.
6. LONG TERM PROVISIONS		
Provisions for Gratuity	—	—
	—	—

	As on 31.03.2016 Rs.	As on 31.03.2015 Rs.
7. SHORT TERM BORROWINGS		
Secured		
Cash Credit from Allahabad Bank Refer note (a)	92883641	75049959
TOTAL	92883641	75049959

Notes :-

- a) Cash Credit from Bank amounting to Rs. 9,28,83,641/- (31.3.2015 – Rs. 7,50,49,959/-) 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.)**

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs
8. TRADE PAYABLES		
a) Due to Micro, small and medium Enterprises (Note a)	—	—
b) Others	360884785	188825016
Total	360884785	188825016
Note - (a)		
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 31.03.2016.		
9. OTHER CURRENT LIABILITIES		
Current maturities of Long term debt (also refe Note 4)	20499574	20483500
Advance received from Customers	270571	5219747
Interest accrued and due on borrowings	—	40229071
Statutory dues	23539072	22500458
Electricity dues	12694778	7271423
Unclaimed Preference Shareholder account	1206300	1337100
Others	70658858	8636123
Total	128869153	105677422
10. SHORT TERM PROVISIONS		
a Cess / Excise Duty on Stock	2342778	1038435
b Provision for Taxation	39158093	39158093
Total	41500871	40196528

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

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Additions during the Year	Sales/Adjustment during the Year	As on 31.03.2016	As on 01.04.2015	For the Year	Adjustment for Disposals	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND (FREE HOLD)	19427381	—	2930797	16496584	—	—	—	—	16496584	19427381
FACTORY BUILDING	117056095	10155791	31111900	96099986	44267520	1649322	6615738	39301104	56798882	63604666
NON FACTORY BUILDING	19243649	—	19243649	—	2103526	—	2103526	—	—	26324034
PLANT & MACHINERY	574867852	131570969	196727459	509711362	340919575	25438324	119180706	247177193	262534169	233948277
CO-GENERATION	25950504	4487048	—	30437552	15948978	2723650	—	18672628	11764924	10001526
COMPUTER	4578383	595563	116365	5057581	3729667	204118	116365	3817420	1240161	848718
ELECTRIC INSTALLATION	54862215	7443767	28014167	34291815	25442861	2222701	12319739	15345823	18945992	29184457
TUBEWELL & WATER SUPPLY	1538725	—	—	1538725	706367	58314	—	764681	774044	832358
FURNITURE FIXTURE & OTHER OFFICE EQUIPMENTS	16266070	1191281	5034162	12423189	8777683	560144	2504324	6833503	5589686	7723285
MOTOR VEHICLES	15569713	1548165	2912514	14205364	8237884	1133707	1791401	7580190	6625174	7331826
TOTAL	849360587	156992584	286091013	720262158	450134061	33990280	144631799	339492542	380769616	399226528
PREVIOUS YEAR	551407604	18569833	4706969	565270468	282439272	28895708	4347261	306987719		
CAPITAL WORK IN PROGRESS	124484736	7812451	118376579	13920608	—	—	—	—	13920608	124484736
									394690224	523711264

- NOTE** : 1. Motor vehicles include Rs. 17,03,910/- acquired under Hire purchase Agreements.
2. Capital Work in Progress includes an amount of Rs. 50,35,631/- representing purchase of Land at North 24 parganas, West Bengal towards Company's proposed new diversification Project.
3. Capital work in Progress includes an amount of Rs. 11,14,70,587/- capitalised during the year under different heads in the books of accounts on account of Jute Fine Yarn Unit which commenced its production from 01.08.2015. Depreciation in the books is calculated on this amount from the date of its production i.e. from 01.08.2015.

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

12. INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2015	Additions during the Year	Sales/Disposal during the Year	As on 31.03.2016	As on 01.04.2015	For the Year	Adjust- ment for Disposals	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SOFTWARE	3326023	—	—	3326023	3057568	51076	—	3108644	217379	268455
TOTAL	3326023	—	—	3326023	3057568	51076	—	3108644	217379	268455
PREVIOUS YEAR	3326023	—	—	3326023	3006492	51076	—	3057568		
TOTAL (11+12)	852686610	156992584	286091013	723588181	453191629	34041356	144631799	342601186	380986995	399494983
PREVIOUS YEAR	554733627	18569833	4706969	568596491	285445764	28946784	4347261	310045287		

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	<u>No. of Shares/ Debenture</u>	<u>Face Value per Share</u>	<u>As at 31.03.2016</u>	<u>As at 31.03.2015</u>
		Rs.	Rs.	Rs.
13. NON CURRENT INVESTMENTS				
OTHER INVESTMENTS				
UNQUOTED - AT COST				
YATAN TRADE LINK (P) LTD. (Equity Shares of Rs. 10/- each fully paid up)	1250	10	250000	250000
 Kamarhatty Jute Mill Employees - Consumers Co.op Stores Ltd. B' Class Redeemable Shares of Rs. 10 each	 250	 10	 2500	 2500
 Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd. 1/2% Debentures	 71	 100	 7100	 7100
 Woodland Hospital & Research Centre Ltd. (formerly East India Clinic Ltd. Non redeemable 5% debentures Stock 1957			 26000	 26000
 7 Years National Saving Certificates (Deposited with Govt. Department)			 1000	 1000
Total			<u>286600</u>	<u>286600</u>
 Aggregate Amount of Unquoted Investments			 286600	 286600

	<u>31st March, 2016</u>	<u>31st March, 2015</u>
	Rs.	Rs.
14. LONG TERM LOANS AND ADVANCES		
Unsecured and considered good		
Loan to Employees	—	—
TOTAL	<u>—</u>	<u>—</u>

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

	<u>31st March, 2016</u>	<u>31st March, 2015</u>
	Rs.	Rs.
15. INVENTORIES		
(Valued At Lower of Cost And Net Realizable Value)		
Raw Material	36834282	17224854
Finished goods	204956916	68997313
Stock-in-Process	55961000	33980750
Stores and spares parts	22591292	26387694
COAL	4016311	5881852
TOTAL	<u>324359801</u>	<u>152472463</u>
16. TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months		
Considered good	—	—
Considered doubtful	—	—
Other Trade Receivables	<u>150079984</u>	<u>79281716</u>
TOTAL	<u>150079984</u>	<u>79281716</u>
17. CASH AND CASH EQUIVALENTS		
Cash balance on hand	3088817	741839
Balance with Scheduled Banks :		
in current Account	2054286	1290590
on L/C Margin Account		
in Fixed Deposits	15025438	17484178
in Current Account	126528	1838935
TOTAL	<u>20295070</u>	<u>21355542</u>
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
a. Loans and Advances to Related Parties [Note No. 28(g)]	573812	15679116
b. Deposits	422935	448466
c. Other Loans and Advances		
i. Loans to Employees	572079	856930
ii. Balance with Statutory / Government Authorities	2663113	2294610
iii. Advance to Supplier	33707610	13473258
iv. Advances recoverable in cash or in kind or for value to be received	17714856	13376549
Mat Credit Entitlement	4765042	2868761
v. Advance payment against taxes	50387920	47787456
TOTAL	<u>110807367</u>	<u>96785146</u>

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

	<u>31st March, 2016</u> Rs.	<u>31st March, 2015</u> Rs.
19. REVENUE FROM OPERATIONS		
Details of Products Sold		
<u>Particulars</u>		
Jute Goods	1302905117	1270258927
Kraft Paper	151681821	145348971
	<u>1454586938</u>	<u>1415607898</u>
20. OTHER INCOME		
Interest on deposit (Gross) :	2791478	1903852
(Tax deducted at Source Rs. 1,59,733/- Previous Year Rs. 2,39,425/-)		
Rent (Gross) :	22518692	19309759
(Tax deducted at source Rs. 23,01,634/- Previous Year Rs. 18,75,913/-)		
Profit on Sale of Fixed Assets	1982081	11420291
Insurance Claim (cash basis)	—	5115527
Sale of DEPB Licence	—	—
Miscellaneous Income	97283628	14590688
Sundry Balance written back	420292	—
Sale of Scrap	767400	1568646
Export Duty drawback (cash basis)	1205096	326811
	<u>126968667</u>	<u>54235574</u>
21. COST OF MATERIAL CONSUMED		
<u>Details of Principal Raw Material Consumed</u>		
Raw Jute	853179402	602531764
Packing Material	7566953	—
Jute Batching Oil	17114725	19099123
Chemical / Dye	19145328	12411392
Waste Paper	78041097	89898173
	<u>975047505</u>	<u>723940452</u>

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	31st March, 2016 Rs.	31st March, 2015 Rs.
22. CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS		
OPENING STOCK :		
Finished Goods	68997313	142407009
Stock-in-process	33980750	46597350
TOTAL - A	<u>102978063</u>	189004359
Less :		
CLOSING STOCK :		
Finished Goods	204956916	68997313
Stock-in-process	55961000	33980750
TOTAL - B	<u>260917916</u>	102978063
	<u>(157939853)</u>	86026296
Less : Cess / Excise Duty Provision on		
On Inventory : -		
On CLOSING STOCK	2342778	1038435
On OPENING STOCK	1038435	(1304343)
Decrease /(Increase) in stock	<u>(156635510)</u>	85301644
 23. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	258137416	268713020
Gratuity	7727681	15045562
Contribution to Provident Fund and other Funds	26680798	29581672
Staff Welfare	1199674	1551134
	<u>293745569</u>	314891388
 24. FINANCIAL COST		
a. Interest on Loan	17668903	19983441
b. Interest - Others	11331949	12697361
TOTAL	<u>29000852</u>	32680802
 25. DEPRECIATION AND AMORTISATON EXPENSES		
Depreciation on Tangible Assets	33990280	37917938
Depreciation on Intangible Assets	51077	51076
	<u>34041357</u>	37969014
Less : Transferred from Revaluation Reserve	—	60872
Less : Transferred from Capital Reserve	1879844	2693904
TOTAL	<u>1879844</u>	2754776
	<u>32161513</u>	35214238

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

26. OTHER EXPENSES	31st March, 2016	31st March, 2015
	Rs.	Rs.
Stores and Spares consumed	25681971	33086148
Power and fuel	121689851	127764220
Repair to Building	1852473	3460439
Repair to Plant and Machinery	20418377	26595506
Repair to Others	5846100	5776230
Branding and Processing charges	6820067	10200141
Brokerage and Commission	12769613	9687557
Shipping and delivery expenses	3427517	4033578
Advertisement	95514	439744
Bank Charges	2428864	2419420
Conveyance	400971	594655
Coolie & Carriage	9260	4610
Electric Charges	1039740	940219
Filing Fees	39700	13800
Listing Fees	28090	19663
Hire Charges	154534	297523
Legal Expenses	501655	485048
Motor Car Expenses	1988275	2398125
Office Maintainance	1569769	1908967
Postage & Telegram	98279	112917
Printing & Stationery	920143	847254
Subscription	1465073	2023760
Loss on Motor Car Sale	257041	—
Telephone Expenses	1228957	1237031
Travelling Expenses	519126	1384895
Security Charges	1579182	1737876
Rates & Taxes	3668418	2203384
Rent	468000	468000
Insurance Charges	2744830	3373750
Bad Debts W/Off	—	28678
Miscellaneous Expenses	19900378	18870041
Auditors' Remuneration (Note a)	95770	95506
Directors' Remuneration	3300200	3177679
Director Fees	162000	174000
Professional Fees	8894342	6401561
	252064080	272261925
Note (a)		
<u>Details of Payment to Auditor</u>		
As Auditor		
Audit fees	78916	78652
Tax Audit	16854	16854
Other Capacity	—	—
Certificaton	—	—
	95770	95506

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

	31.03.2016	31.03.2015
	Rs.	Rs.
27. EARNING PER SHARE (EPS)		
Profit after tax	87664768	(33390528)
Less : Preference dividend (including tax thereon)	—	—
Net Profit for Calculation of Basic and Diluted EPS (A)	87664768	(33390528)
Weighted average number of shares outstanding of Rs. 10/- each. (B)	5617000	5617000
Basic and Diluted Earning per share A/B	15.61	(5.94)

28. ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS :

	31.03.2016	31.03.2015
	Rs.	Rs.
a) Contingent Liability not provided for in respect of		
(i) Bank Guarantee – Subsidiary	518000	2202328
Others	37100000	35051000
(ii) Demand of different Statutory authorities pending appeal	214938218	250449123
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 th 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. 913.79 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. 1118.00 lakhs from the WBSEC and refunded the Loan of Rs. 1118.00 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) Keshava Jute Mills Pvt. Ltd.	Company in which Director is interested as a Director.
h) Tornado Consultants Ltd.	Company in which Director is interested as a Director.
i) Yatan Tradelink Pvt. Ltd.	Company in which Director is interested as a 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
 Shri R. Singh, Company Secretary

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 :

	31.03.2016	31.03.2015
	Rs.	Rs.
B. P. Agarwal	11,70,000	11,55,600
S. K. Agarwal	11,23,200	11,08,800
H. Nahata	10,07,000	9,13,279
R. Singh	2,00,000	—
Total	<u>35,00,200</u>	<u>31,77,679</u>

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

ii) Unsecured loan taken from directors and their Relatives :

Name of the person	31-03-2016		31-03-2015	
	Loan Taken Rs.	Outstanding Rs.	Loan Taken Rs.	Outstanding Rs.
Shri S. K. Agarwal	500000	760000	1450000	290000
Shri H. K. Agarwal	250000	1545000	765000	1455000
Shri D. K. Agarwal	675000	4630000	2015000	4105000
Shri B. P. Agarwal	725000	75000	425000	50000
Smt. Sakuntala Devi Agarwal	150000	2780000	675000	2760000
Smt. Kalpana Agarwal	400000	2285000	1075000	1985000
Shri B. P. Agarwal (HUF)	685000	2625000	905000	1965000
Shri S. K. Agarwal (HUF)	950000	4285000	605000	3335000
Shri Ramesh Kr. Agarwal (HUF)	250000	1350000	100000	1100000
Smt. Sweta Agarwal	225000	1060000	125000	975000
Smt. Paridhi Agarwal	—	750000	300000	750000
Smt. Udisha Agarwal	550000	1580000	450000	1150000
Smt. Sarita Agarwal	350000	2815000	100000	2620000
Smt. Priti Agarwal	200000	900000	270000	1400000
Shri Rajendra Kr. Bansal	—	295000	—	295000
Shri Hitesh Kr. Agarwal (HUF)	690000	3390000	1430000	2800000
Shri Jagdish Prasad Bansal (HUF)	—	90000	—	90000
J. P. Bansal Family Trust	—	500000	—	500000
Smt. Hema Bansal	—	2230000	—	2230000
Shri Dharmesh Kumar Agarwal (HUF)	810000	1600000	805000	1470000
Shri Ramesh Agarwal	350000	1350000	550000	1000000

- iii) Malsisar Converting Machinery Pvt. Ltd. : Loan refunded to the Company - Rs. 6.50 lakhs
(Balances outstanding as on 31.3.16 - Rs. 320.14 lacs)
- iv) Kamarhatty Power Ltd. : (Balances outstanding as on 31.03.2016
Rs. 12.33 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 31.03.2016 - Rs. 73.98 lacs)

g)	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value Rs.	%	Value Rs.	%
(i) C.I.F. Value of Imports :				
Capital Goods (Capitalised Rs. 24664560/- during the year)	36240172	24.61	NIL	—
Raw Materials	109071400	74.07	65754507	92.33
Finished goods & Semi finished goods	1924465	1.32	4742285	7.67
	147236037	100	70496792	100

KAMARHATTY COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Value Rs.	%	Value Rs.	%
(ii) Earnings in Foreign Currency				
FOB Value of Exports	24246707		6464631	
(iii) Raw Materials Consumption				
Imported (Raw Material)	109071400	11.19	65754507	9.50
Indigenous (Raw Material)	865976104	88.81	658185945	90.50
	<u>975047504</u>	<u>100.00</u>	<u>723940452</u>	<u>100.00</u>
(iv) Value of Stores & Spares consumed :				
Indigenous (100%) (including labour charges)	<u>53798921</u>	<u>100.00</u>	<u>63142093</u>	<u>100.00</u>

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

REPORT & ACCOUNTS OF SUBSIDIARY COMPANY

BLANK

KAMARHATTY POWER LIMITED

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

NOTICE

Notice is hereby given that Annual General Meeting of the members of **Kamarhatty Power Limited** will be held on Thursday, the 29th day of September, 2016 at 03:00 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, 2016, the Reports of Board the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sushant Kumar Agarwal (DIN : 00546541), and Shri Shiw Kumar Nathany (DIN : 00717723), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution :

"RESOLVED THAT pursuant to provision of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rule 2014, including any statutory modifications or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded for re-appointment of M/s. S. S. Kothari & Co., (Firm Regn. No. 302034E), Chartered Accountants, as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors."

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

Place : Kolkata
Dated : 13th August, 2016

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.

KAMARHATTY POWER LIMITED
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 31.03.2016.

1. FINANCIAL RESULTS

Particulars	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	31.03.2016	31.03.2015
Profit/ (Loss) before Depreciation & Tax	767.47	(218.35)
Less : Depreciation & Amortisation	—	83.68
Less : Provision for Income Tax Deferred Tax	—	—
Profit/ (Loss) after Tax	767.47	(134.67)

2. STATE OF COMPANY'S AFFAIRS

Your Company during the year 2015-16 under review has a Net Profit of Rs. 767.47 Lacs in comparison to previous year 2014-15, Loss of Rs. (134.67) Lacs.

3. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred 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 conserve the resources of company your directors regret to recommend any dividend for the period under report.

5. TRANSFER TO RESERVES

No amount is proposed to carry to any reserve during the year.

6. CHANGE IN NATURE OF BUSINESS

There are no change in 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 does 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.

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

There are no foreign currency earnings and outgo during the financial year.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

15. STATUTORY AUDITORS

The Board of Directors of the Company have proposed that M/s. S. S. Kothari & Co. Chartered Accountants, Kolkata be re-appointed as the Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the next Annual General Meeting of the Company.

Your Directors recommended for their re-appointment.

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, 2016, 4 (Four) Board Meetings were held i.e. on May 29, 2015, August 11, 2015, November 14, 2015 and February 6, 2016. Attendance of the Directors has been as follows:

Name of the Director	Whether attended the meetings held on			
	29.05.2015	11.08.2015	14.11.2015	06.02.2016
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	YES	YES	YES
Shri L.K. Jain	YES	NO	YES	NO
Shri S.K. Nathany	YES	YES	NO	NO

KAMARHATTY POWER LIMITED

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 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 in connection with 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 : 13th August, 2016

Sushant Kumar Agarwal
Director
DIN : 00546541

(Badri Prasad Agarwal)
Director
DIN : 00041321

KAMARHATTY POWER LIMITED
ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016

ANNEXURE – 1

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016 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, 2015				Number of Shares held at the March 31, 2016				% change over Previous Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
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)	—	—	—	—	—	—	—	—	—
	SUB TOTAL (A) (1)	—	38,80,500	38,80,500	97.01	—	38,80,500	38,80,500	97.01	—
2.	Foreign									
a)	NRIs - Individuals	—	—	—	—	—	—	—	—	—
b)	Other - Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corporate	—	—	—	—	—	—	—	—	—
d)	Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
e)	Any other	—	—	—	—	—	—	—	—	—
	SUB TOTAL (A) (2)									
	Total Shareholding of Promoter [(A)(1)+(A)(2)]	—	38,80,500	38,80,500	97.01	—	38,80,500	38,80,500	97.01	—
B	PUBLIC SHAREHOLDING									
1)	Institutions									
a)	Mutual Funds	—	—	—	—	—	—	—	—	—
b)	Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
c)	Central Govt.	—	—	—	—	—	—	—	—	—
d)	State Govt.	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FIIIS	—	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
j)	Others (specify)	—	—	—	—	—	—	—	—	—
	SUB TOTAL (B) (1)									
2.	Non-Institutions									
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	—	—	—	—	—	—	—	—	—
	SUB TOTAL (B) (2)	—	1,19,500	1,19,500	2.98%	—	1,19,500	1,19,500	2.98%	—
	Total Public Shareholding [(B)(1)+(B)(2)]	—	1,19,500	1,19,500	2.98%	—	1,19,500	1,19,500	2.98%	—
C.	Shares held by Custodians for GDRs & ADRs									
	GRAND TOTAL (A+B+C)	—	40,00,000	40,00,000	100.00%	—	40,00,000	40,00,000	100.00%	—

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, 2015			Number of Shares held at the March 31, 2016			% 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
TOTAL	38,80,500	97.01%	—	38,80,500	97.01%	—	0.00

(iii) Change Shareholding of Promoters :

NAME OF THE PROMOTER	Number of Shares held as at April 01, 2015		Number of Shares held as at March 31, 2016		% 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					
TOTAL	00	00	—	00	0.00%

(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, 2015		Number of Shares held as at March 31, 2016		% 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
TOTAL	37,000	0.93	37,000	0.93	

(v) Shareholding of Directors and Key Management Personnel :

NAME OF THE SHAREHOLDER	Number of Shares held as at April 01, 2015		Number of Shares held as at March 31, 2016		% 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%	
TOTAL	82,500	2.06	7,500	2.06	

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)
Indebtedness as at April 01, 2015				
i) Principal Amount	126171000	124304594	—	1369215594
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	126171000	124304594	—	1369215594
Change in Indebtedness during the year				
i) Addition(s)	—	—	—	—
- Interest due but not paid	—	—	—	—
- Interest accrued but not due	—	—	—	—
ii) Reduction(s)	-126171000	-102399130	—	-228570130
Net Change (i + ii)	—	—	—	—
Indebtedness as at March 31, 2016				
i) Principal Amount	—	21905464	—	21905464
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	—	21905464	—	21905464

(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.	Total (A)	—	—
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	—	—
Total (B) (1)	—	—

2. Non-Executive Director :

Particulars of Remuneration	Name of the Directors(s)	Total
Fee for attending Board / Committee meetings	Gautam Ukil	6000
	Syed Zakir Hussain	6000
	Ashis Dasgupta	6000
Commission	—	—
Others, please specify	—	—
Total (B) (2)	—	18,000
Total (B) (2)		
Total (B) = (B)(1) + (B)(2)	—	—
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
A COMPANY					
Penalty					
Punishment					
Compounding					
B DIRECTOR					
Penalty					
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

KAMARHATTY POWER LIMITED**ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016****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 2015-2016.
--

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	Repayment of Loan
	Duration of the contracts / arrangements / transaction Sailent terms of the contracts or arrangements or	Not Applicable
	transaction including the value, if any	Rs. 9,17,99,130/-
	Date of approval by the Board	30.04.2008
	Amount paid as advances, if any	NIL

Place : Kolkata
Dated : 30th day of May, 2016.

B. P. Agarwal
S. K. Agarwal
(Directors)

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

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	(108068359)
6.	Total assets	201617
7.	Total Liabilities	201617
8.	Investments	—
9.	Turnover	82394755
10.	Profit before taxation	76747268
11.	Provision for taxation	—
12.	Profit after taxation	76747268
13.	Proposed Dividend	—
14.	% of shareholding	63.02%

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

1. Names of subsidiaries which are yet to commence operations :
2. 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	

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

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

**KAMARHATTY POWER LIMITED
INDEPENDENT AUDITORS' REPORT**

**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, 2016, 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.

Basis of Qualification:

- (a) Provision of Interest on Term Loan from WBIDC amounting Rs. 240 lacs has not been made in the accounts during the financial year 2013-14 and 2014-15 having effect of increasing of loss for the same amount and decreasing share holders fund. (Refer Note No. 5)
- (b) The physical possession of the factory has been taken over by the Financial Institution (WBIDC) and the Company has no access to the factory premises consequently the Company has no control over the fixed assets and inventories at the factory. In view of the above, the Company has adjusted all assets (Fixed & current) taken over by WBIDC aggregating to Rs. 1473.76 lacs with unpaid loan amount of Rs. 1629.28 lacs including interest provided thereon. The resulting outstanding loan after all adjustment amounts to Rs. 162.84 lac has been shown under other current liability. (Refer Note no. 3).

QUALIFIED 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 31.03.2016.
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.

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, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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 2016 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, 2016.

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

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

Place : Kolkata
Dated : 30th day of May, 2016.

KAMARHATTY POWER LIMITED
ANNEXURE 'A' TO THE AUDITORS' REPORT

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

- (i) The Company has no fixed assets as on 31.03.2016 (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. Therefore Clause-IV of the order is not applicable.
- (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 not defaulted in repayment of dues to the Financial Institution (WBIDC) during the year.
- (ix) The company has not taken any Term Loan during the year. The Term Loan taken in the earlier year was applied for the purpose for what it was taken. During the year the company has not raised money by way of initial public offer or further public offer.
- (x) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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.

KAMARHATTY POWER LIMITED

- (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. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (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 : 30th day of May, 2016.

KAMARHATTY POWER LIMITED
ANNEXURE B TO THE AUDITORS' REPORT

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, 2016 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, 2016, 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 : 30th May, 2016

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, 2016

	NOTE	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Fund			
a) Share Capital	2	40000000	40000000
b) Reserves and Surplus	3	<u>(108068359)</u>	<u>(182379759)</u>
		(68068359)	(142379759)
2. Non Current Liabilities			
a) Long Term Borrowings	4	<u>21905464</u>	<u>250475594</u>
		21905464	250475594
3. Current Liabilities			
a) Other Current Liabilities	5	46300798	40752507
d) Short Term Provisions	6	<u>63714</u>	<u>63714</u>
		46364512	40816221
		201617	148912056
II. Assets			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	7	—	140943779
As per last Balance Sheet		140943779	—
Less : adjusted during the year		<u>140943779</u>	—
		—	140943779
2. Current Assets			
a) Inventories	8	—	6452716
b) Cash & Cash Equivalents	9	40544	1359574
c) Short Term Loans and Advance	10	<u>161073</u>	<u>155987</u>
		201617	7968277
TOTAL		201617	148912056

**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 30th day of May, 2016.

B. P. Agarwal
S. K. Agarwal
Director

KAMARHATTY POWER LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
I. INCOME			
Other Income	11	82394755	120490
Total Revenue		<u>82394755</u>	<u>120490</u>
II. EXPENSES			
Employee benefit expenses	12	—	8803
Finance Costs	13	609409	1272000
Depreciation and amortisation expenses	14	—	8367708
Other expenses	15	5038078	3938885
Total Expenses		<u>5647487</u>	<u>13587396</u>
III. PROFIT / (LOSS) before Tax		76747268	(13466906)
IV. Tax Expense :			
– Current Tax		—	—
– Deferred Tax / (Reversal)		—	—
Profit / (Loss) after Tax		<u>76747268</u>	<u>(13466906)</u>
VI. Earning Per Equity Share			
(nominal value of share Rs. 10/- each)			
Basic and Diluted	16	<u>19.19</u>	<u>(3.37)</u>

**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 30th day of May, 2016.

B. P. Agarwal

S. K. Agarwal

Director

KAMARHATTY POWER LIMITED
NOTES TO THE FINANCIAL STATEMENT

	<u>No. of Shares</u>	<u>As at 31.03.2016 Rs.</u>	<u>No. of Shares</u>	<u>As at 31.03.2015 Rs.</u>
2. SHARE CAPITAL				
AUTHORISED				
40,00,000 Equity Shares of Rs. 10/- each		40000000		40000000
		<u>40000000</u>		<u>40000000</u>
ISSUED, SUBSCRIBED AND FULLY PAID UP				
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		40000000		40000000
TOTAL		<u>40000000</u>		<u>40000000</u>
a) Reconciliation of number of shares				
Equity shares				
Balance as at the beginning and end of the year		40000000		40000000
Preference Shares				
Balance as at the beginning and end of the year		—		—
			No. of Shares held	% of Holding
b) Details of shareholders holding more than 5 percent of equity shares :				
i) Kamarhatty Company Ltd.		2520750		63.00
ii) Trend Vyapar Limited		1359750		34.00
c) Rights attached to each class of share Capital				
I. Ordinary Shares of Rs. 10 each				
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				
3. REVERSEVE AND SURPLUS				
A. SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
As per last Balance Sheet		(204565627)		(191098721)
Add : Profit for the year		<u>76747268</u>		<u>(13466906)</u>
Balance as at the end of the year		<u>(127818359)</u>		<u>(204565627)</u>
B. SECURITIES PREMIUM ACCOUNT				
		19750000		19750000
C. CAPITAL RESERVE				
CAPITAL SUBSIDY (NOTE-3)		2435868		3090390
Add : Received during the year		—		—
Less : Adjusted during the year		2435868		—
Less : Transfer to Statement of Profit and Loss account as reduction from depreciation		—		(654522)
		—		<u>2435868</u>
TOTAL		<u>(108068359)</u>		<u>(182379759)</u>

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

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
4. LONG TERM BORROWINGS		
I. SECURED LOANS		
Terms Loan (From Financial Institution) (Refer notes on accounts (3))	—	126171000
II. Unsecured Loans		
A. From Others	21905464	124304594
TOTAL	21905464	250475594
 i) No term for repayment has been stipulated for unsecured loan		
5. OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	—	40229071
Statutory dues	—	512200
Others (Note - 2 & 3)	46300798	11236
TOTAL	46300798	40752507
6. SHORT TERM PROVISIONS		
Provision for FBT	63714	63714
TOTAL	63714	63714

KAMARHATTY POWER LIMITED

NOTES TO THE FINANCIAL STATEMENT (CONTD.)

Note – 7

TANGIBLE ASSETS (Note-3)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.04.2015	Additions during the Year	Sales/Disposal/ Adjustment During the Year	As on 31.03.2016	As on 01.04.2015	For the Year	Transfer	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
TANGIBLE ASSETS										
Land & Land Development	2930797	—	(2930797)	—	—	—	—	—	—	2930797
Nonfactory Building	19243649		(19243649)	—	2103526		(2103526)	—	—	17140123
Factory Building	31111900		(31111900)	—	6615738	—	(6615738)	—	—	24496162
Plant & Machinery	195369022		(195369022)	—	117890188	—	(117890188)	—	—	77478834
Electric Installation	27543444		(27543444)	—	12095598	—	(12095598)	—	—	15447846
Furniture & Fixture	4989799		(4989799)	—	2492251	—	(2492251)	—	—	2497548
Office Equipments	44363		(44363)	—	12073	—	(12073)	—	—	32290
Motor Vehicles	2270058		(2270058)	—	1596462	—	(1596462)	—	—	673596
Air Conditioner	470723		(470723)	—	224141	—	(224141)	—	—	246582
Computer	116365		(116365)	—	116365	—	(116365)	—	—	—
Total	284090120	—	(284090120)	—	143146341	—	—	—	—	140943779
Previous Year	284090120	—	—	284090120	134124111	9022230	—	143146341	140943779	

KAMARHATTY POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
8. INVENTORIES (NOTE-3)		
INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)		
Raw Materials	—	4290424
Stores and spares parts	—	2162292
TOTAL	—	6452716
 9. CASH AND CASH EQUIVALENTS		
Cash Balance on hand	896	2986
Balance with Scheduled Banks :		
in Current Account	39648	65399
in Fixed Deposits	—	1291189
TOTAL	40544	1359574
 10. SHORT TERM LOANS AND ADVANCES		
Unsecured and considered good		
a. Other Loans and Advances		
i) Advances recoverable in cash or in kind or for value to be received	14042	14042
ii) Advance payment against taxes	147031	141945
TOTAL	161073	155987
 11. OTHER INCOME		
Differential tariff as per the Hon'ble Supreme Court Order. (Note-2)	81818419	—
Interest on deposit (Gross) : (Tax deducted at source Rs. 5086/- Previous Year Rs. 12050/-)	156044	120490
Sundry Balance written back	420292	—
TOTAL	82394755	120490

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

	As at 31st March, 2016 Rs.	As at 31st March, 2015 Rs.
12. EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	—	8803
TOTAL	—	8803
 13. FINANCIAL COST		
a) Interest on Loan	607560	1272000
b) Interest others	1849	—
TOTAL	609409	1272000
 14. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets	—	9022230
Less : Transferred from Capital Reserve—	—	654522
TOTAL	—	8367708

KAMARHATTY POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	For the year ended 31st March, 2016 Rs.	For the year ended 31st March, 2015 Rs.
15. OTHER EXPENSES		
Bank Charges	2438	1511
Conveyance	115	379
Filing fees	1800	7200
Printing & Stationery	227	285
Travelling Expenses	14046	—
Rates & Taxes	13407	2200
Appeal Charges	—	10000
Miscellaneous Expenses	548	1269
Auditors' Remuneration (note a)	11500	11236
Director Fees	18000	18000
Professional Fees	4975997	3886805
	<u>5038078</u>	<u>3938885</u>
Note (a)		
<u>Details of Payment to Auditor</u>		
As Auditor		
Audit fees	11500	11236
	<u>11500</u>	<u>11236</u>
16. EARNINGS PER SHARE (EPS)		
Profit after tax	76747268	(13466906)
Less : Preference dividend (including tax thereon)	—	—
Net Profit for calculaton of Basic and Diluted EPS (A)	<u>76747268</u>	<u>(13466906)</u>
Weighted average number of shares outstanding of Rs. 10/- each. (B)	4000000	4000000
Basic and Diluted Earning per share A/B	19.19	(3.37)

KAMARHATTY POWER LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2016

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: Repayment of loan to Kamarhatty Company Ltd. is Rs. 917.99 lac (net) during the financial year 2015-16.

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 has received a sum of Rs. 7.88 crore for the period of 2008-09, 2009-10 and 2010-11 and also received Rs. 29.97 lac for the period 2011-12 from WBSEDCL during the financial year 2015-16 as a part of the arrear dues on account of unsettled tariff for sale of electricity to WBSEDCL. This is by virtue of the order of the Hon'ble Supreme Court dtd. 23.03.2015 against the petition for special leave appeal @CC 4437-4438/2015 of WBSEDCL. The company has also received Rs.3 crore from WBSEDCL by virtue of the said order as part payment of delayed payment surcharge. Subsequently the Hon'ble Arbitrator has ordered for refund of the same amount and same has been shown under other liability. Against the order of the Arbitrator the company has decided to go to appeal.

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

- 3) As the plant was physically taken over by WBIDC and it was completely out of control of the company, the company has adjusted all assets (fixed and currents) taken over by WBIDC aggregating Rs. 14,73,96,495/- (WDV of fixed assets Rs. 14,09,43,779/- and current assets viz. inventories of Raw materials Rs. 42,90,424 and stores Rs. 21,62,292/-) with the unpaid loan amount of Rs. 16,29,28,625 including unpaid interest of Rs. 3,67,57,625/- provided thereon. Further the Company has also adjusted the credit balance of Rs. 24,35,868/- (lying unadjusted till 31.03.15) for capital subsidy with the fixed assets. The resulting outstanding loan account after all the adjustment amounts to Rs. 1,62,83,998/- which has been shown under other current liability in the financial statements.
- 4) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.16.
- 5) Interest on Term Loan from West Bengal Industrial Development Corporation Ltd (WBIDC) for Rs. 240/- lac has not been provided in the books of accounts.

6) **Earning Per Share (EPS)**

	Year Ended 31.03.2016 Rs.	Period Ended 31.03.2015 Rs.
(a) Profit/ (Loss) after Tax	7,67,47,268	1,34,66,906
(b) Basic & weighted average number of equity shares during the year (Nos.)	40,00,000	40,00,000
(c) Nominal Value of equity share	10	10
(d) Basic & Diluted EPS	19.19	(3.37)

- 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 30th day of May, 2016.

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

KAMARHATTY POWER LIMITED**Cash Flow Statement for the Year ended 31st March, 2016**

	For the year ended 31st March, 2016 Rs.	For the year ended 31st March, 2015 Rs.
A Cash Flow from Operating Activities :		
Net Loss before Tax & extraordinary items	76747268	(13466906)
Adjustment for :		
Depreciation	—	8367708
Interest	609409	1272000
Interest Income	(82394755)	(120490)
	(81785346)	9519218
Operating Profit before Working Capital Changes	(5038078)	(3947688)
Adjustment for :		
Trade & other receivables	(5086)	342950
Trade payables	5548291	1505373
Inventories	6452716	—
	11995920	1848323
Cash generated from operations	6957842	(2099365)
Income tax paid	—	—
Net Cash generated in Operating Activities	6957842	(2099365)
B. Cash Flow from Investing Activities :		
Extinguishment of Fixed Assets	140943779	—
Interest Received	82394755	120490
Net Cash used in Investing Activities	223338534	120490
C. Cash Flow from Financing Activities :		
Capital Subsidy adjusted	(2435868)	—
Proceeds from Other Borrowings	(102399126)	3391434
Increase / (Decrease) in Cash Credit & Term Loan	(126171000)	—
Interest paid	(609409)	(1272000)
Net Cash generated used Financing Activities	(231615404)	2119434
Net Increase /(Decrease) in Cash & Cash equivalents	(1319029)	140559
Cash & Cash Equivalents - Opening Balance	1359574	1219015
Cash & Cash Equivalents - Closing Balance	40545	1359574

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 30th day of May, 2016.

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

Director