



Kkalpana Industries (India) Limited

Date: 13.10.2017.

To,
The Manager,
Listing Department,
Bombay Stock Exchange Limited (Designated Stock Exchange),
P.J. Towers, Dalal Street,
Mumbai – 400 001

Sub: Submission of Annual Report-2016-17 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find enclosed herewith the Annual Report 2016-17.

Kindly take the same on record and oblige.

Thanking You,

Yours faithfully,

For Kkalpana Industries (India) Limited

Tanvi Panday

Tanvi Panday (ACS 31176)
Company Secretary



CC:

1. The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata – 700 001.

Regd. Office : 2B, Pretoria Street, Kolkata - 700 071

Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : kolkata@kkalpana.co.in

Mumbai Office : 106, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, India

Tel.: +91-22-67021470/71/72, Fax : +91-22-6702 1473 E-mail : mumbai@kkalpana.co.in

www.kkalpanagroup.com

CIN : L19202WB1985PLC039431



ANNUAL REPORT 2016-17

Kkalpana Industries (India) Limited

Leading Manufacturer of Compounds

PRODUCT RANGE

PVC Compounds

- Insulation
- Sheathing

PE Compounds

- Silane Grafted XLPE Compound upto 1.1.KV (LT / LTABC / FR / SELF CURE / MV)
- Silane Grafted XLPE Compound for MV upto 35 KV
- XLPE Compounds for continuous Vulcanization Line upto 35 KV
- Zero Halogen FRLS Compounds
- Semi- Conductive Compounds

Filled Compound & Master Batches

- Calcium Carbonated / Talc filled in PE and PP

Colour and Speciality Master Batches-

- UV, Antioxidant Processing Aid Optical Brightner, Lubricant

Footware Compound

- PVC Compact & Micro cellular
- TPR Glossy, Matt, Semi – matt Transparent & colour
- PVC / NBR Compact & Micro-cellular
- EVA Cross linked Foam

Pipe Compounds

- PEX·PVC·PPR

Engineering Plastics

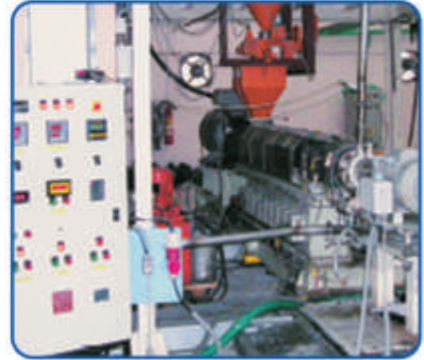
- Nylon – Glass & Mineral filled
- PP, PBT – Glass & Mineral filled Inks

Inks

- Printing Inks, Flexo and Gravure
- Adhesives
- Resins

We service customer in :-

Algeria, Argentina, Brazil, Bangladesh, Croatia, Egypt, Saudi Arabia, South Africa, Srilanka ,India, Nepal, Oman, Portugal, UAE





Corporate Information

Board of Directors

(As on 30th May, 2017)

Chairman and Managing Director

Mr. Narrindra Suranna

Whole-Time-Directors

Mr. Rajesh Kumar Kothari

Dr. P.R. Mukherjee

Non- Executive Independent Directors

Mr. Ramakant Mishra

Mrs. Mamta Binani

Senior President

Mr. Jitendra Tiwari

Chief Financial officer

Mr. I. C. Dakalia

Company Secretary

Mr. A.B. Chakrabarty

Plant Location

Bhasa, Diamond Harbour Road (W.B.)

Falta SEZ, (W.B.)

Daman (Daman & Diu, Union Territory)

Dadra I & II (Dadra & Nagar Haveli, Union Territory)

Surangi, (Dadra & Nagar Haveli, Union Territory)

Registered Office

2B, Pretoria Street, Kolkata - 700 071

Tel: 91-33-2282 3744 / 3745

Fax: 91-33-2282 3739

E mail : kolkata@kkalpana.co.in

Website : www.kkalpanagroup.com

Auditors

Statutory Auditor

M/s B. Mukherjee & Co.

Chartered Accountants

Internal Auditor

M/s D K D & Associates

Chartered Accountants

Cost Auditor

M/s. D. Sabyasachi & Co

Practicing Cost Accountant

Secretarial Auditor

Mr. Ashok Kumar Daga

Practicing Company Secretary

Bankers

State Bank of India

RBL Bank

Dena Bank

Federal Bank

Standard Chartered Bank

DBS Bank

HDFC Bank

Corporation Bank

ICICI Bank

IDFC Bank

Axis Bank

Registrar & Share Transfer Agent

M/s. C B Management Services (P) Ltd.

(Unit Kkalpana Industries (India) Ltd.)

P-22, Bondel Road, Kolkata - 700 019

Tel : 91 - 33 - 2280 6692/93/94/2486/4011 6700

Fax : 91 - 33 - 2287 0263

E mail : rta@cbmsl.com

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Board of Directors

Narrindra Suranna

Mr. Narrindra Suranna, aged around 55 years, is a B.Com (Hons.), and L.L.B from Calcutta University. Currently, he is holding the position of Chairman & Managing Director of the Company. He has been associated with the Company since inception. He has got wide experience in Plastic Industry. Due to his able leadership the Company has reached its present height.

Rajesh Kumar Kothari

Mr. Kothari, aged about 53 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 25 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He has been associated with Kkalpana since 1997.

Pranab Ranjan Mukherjee

Dr. Pranab Ranjan Mukherjee aged about 72 Years, is a Gold Medalist in M.sc and has done his Ph.D from I.I.T, Kharagpur. He has five years of Academic Research Experience in the fields of Synthetic and Mechanistic Organic Chemistry. He started his career in the year 1975 at INCAB Industries Limited as General Manager (Works). He also serves as Director (Operations) at Polylink Polymers India Limited and Siechem Industries, Puduchery. He receives various awards and affiliations in his long career. He has been associated with Kkalpana since 2009 and currently holding the position of Whole Time Director (Technical). He has over 40 years of Experience in plastic and polymers Industries.

Ramakant Mishra

Mr. Mishra, aged about 61 years, F.C.S, F.C.M.A and MBA, has more than 36 years of experience in corporate, Secretarial and Financial matters of various Companies. He joined the Board of Kkalpana in September, 2014 as an Independent Director.

Mamta Binani

Mrs. Binani, aged about 45 years, a Fellow Member of the Institute of Company Secretaries of India (ICSI), has 17 years of experience in corporate consultation & advisory, covering Due Diligence, Secretarial & Legal functions. She has been the first lady Chairperson (eastern region) of (ICSI) and has held the post of President of ICSI. She is holding various honorary positions at Kolkata and also serves Independent Directorship in various Companies. She joined the Board of Kkalpana in September, 2014 as an Independent Director.

Samir Kumar Dutta

Mr. Dutta, aged about 73 years, is a Graduate in science from Calcutta University and a Fellow Member of the Institute of Cost Accountants of India (ICAI). He has over 30 years of experience in finance and additional 10 years of experience in corporate consultation & advisory, covering Cost Audit and Tax matters. He joined the Board of Kkalpana as an Additional Director in the category of Independent Director w.e.f. 21.06.2017.



Chairman's Statement

Dear Shareholders,

I heartedly welcome you to the 32nd Annual General Meeting of your company. The Annual Report and the Directors' Report for the year ended 31st March, 2017 are with you and hope that you must have gone through it.

The Company achieved net revenue of Rs. 1957 Crores for the year 2016-2017 as against Rs.1876 Crores in the previous year. Profit after tax for the year is Rs. 25 Crores, as compared to Rs.11 Crores in the previous year. Consequent, upon the impressive performance, EPS doubled almost up to Rs. 2.74 as against Rs. 1.21 during the previous fiscal.

The Indian economy achieved GDP of 7.1% in 2016-2017, against all odds, against 7.6% in 2015-16. However, the macro economic fundamentals are strong in terms of Inflation control, revenue deficit, fiscal deficit and current account deficit. Even Forex reserves are on upswing. The economic reform process has picked up velocity as 2017-18, a landmark year, in as much as introduction of GST by the Union Government, radical step to demonetize high value currency, the large scale mobilization of Jan Dhan Yojna, the direct benefit transfer scheme and the rapid progress in highways and electrification. It is presumed that effect of implementation of GST will add atleast 2% in the GDP growth rate.

Your company has one of the best operation matrix in the plastic industry in India. Your company produces various grades of compounds used in a number of different kinds of industries. I am proud to mention that your company has an impeccable brand image.

Your directors have not recommended any dividend for the year ended 31st March, 2017.

I have tremendous faith in your company's team of dedicated professionals and I know that they will leave no stones unturned in their continuous quest to take the company to new heights, to serve our society and you, our shareholders.

As always, may, I once again, on behalf of the Board, thankyou, for your unstinted and continued support and encouragement.

Thankyou.

With Best Regards,



Narrindra Suranna

DIN:00060127

Chairman & Managing Director

Date: 30th May, 2017

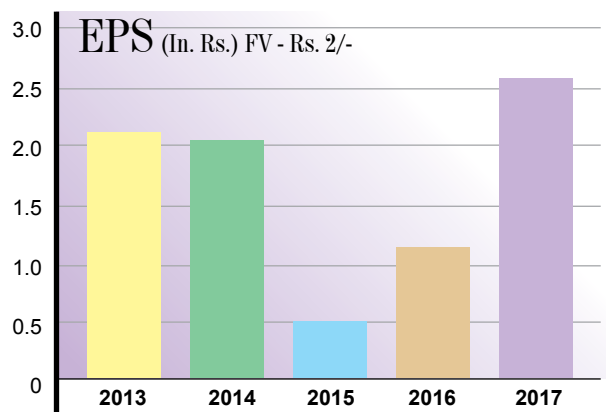
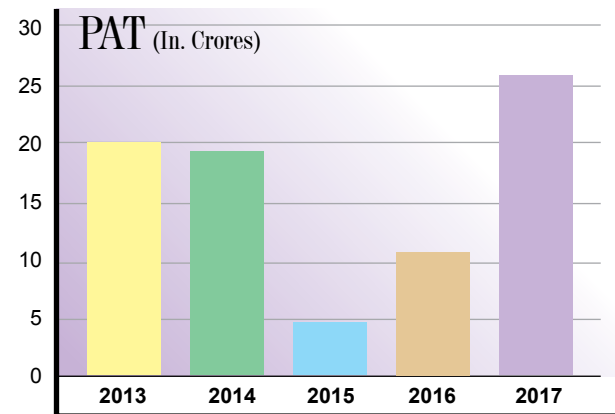
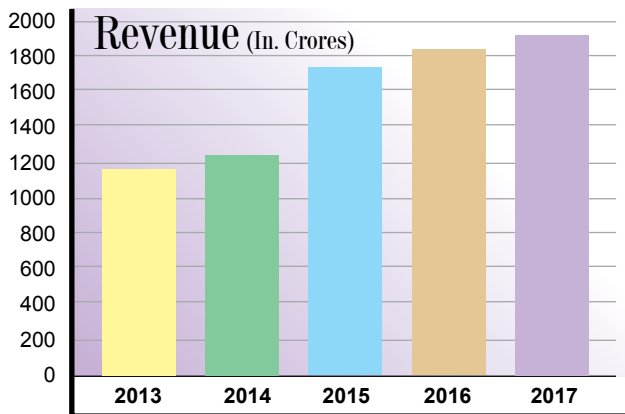
Kolkata

VISION

Vision without action is just a dream;
Action without vision merely passes the time;
Vision with action can change the world.

Five Years at a Glance

Rs. In Crores	2013	2014	2015	2016	2017
Net Revenue	1180.09	1245.58	1729.26	1876.58	1957.26
PAT	19.97	19.48	04.41	11.39	25.74
EPS (Rs.)	2.12	2.07	0.47	1.21	2.74
Net Worth	214.91	229.08	230.31	241.75	271.22
Dividend (%)	12%	12%	0	0	0



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd (Thirty-second) Annual General Meeting of the Members of KKALPANA INDUSTRIES (INDIA) LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Saturday, the 23rd day of September, 2017, at 10.00A.M. to transact the following Businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss Account and Cash Flow Statement for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Pranab Ranjan Mukherjee (DIN –00240758), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), M/s B. Mukherjee & Co., Chartered Accountants, Kolkata (Firm Registration No. 302096E), being eligible and willing to act as Auditors and having furnished certificate pursuant to Section 139 of the Companies Act, 2013, be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this 32nd Annual General Meeting until the conclusion of 37th Annual General Meeting of the Company, at a fee of Rupees 3,10,000/- for the year 2017-18 plus taxes as applicable, as also reimbursement of actual travel and out of pocket expenses incurred incidental to their functions and subject to ratification of the appointment and fixation of remuneration for the relevant year at the Annual General Meeting in each of the subsequent years during the aforesaid term of their appointment.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

4. **Ratification of Remuneration payable to the Cost Auditors of the Company for the Financial year ended March 31, 2018**

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Company hereby confirms and ratifies the remuneration of Rs.25000/- plus taxes as applicable and out-of-pocket expenses, as recommended by the Audit Committee of the Board and Board of Directors of the Company, payable to M/s. D.Sabyasachi & Co., who are appointed as Cost Auditors of the Company on the recommendation of Audit Committee, to conduct Audit of the cost accounting records pertaining to plastic compounds and other manufacturing items of the Company for the year ending 31st March, 2018.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

5. **Reappointment of Mr. Narrindra Suranna as a Managing Director**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the recommendation of Nomination and Remuneration Committee of the Board of Directors and provisions of Section 196, 197 and 198 and other applicable provisions if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Act, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Ministry of Corporate Affairs, from time to time, or any other law and subject to such other approvals, as may be necessary, and terms as are agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf), and as per the relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the reappointment of Mr. Narrindra Suranna (DIN – 00060127) as Managing Director of the Company, for a period of 5 (Five) years with effect from 01st August, 2017, upon the terms and conditions as are set out in the Statement annexed hereto.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the reappointment and remuneration, from time to time, as may be agreed to by the Board and Mr. Narrindra Suranna, subject to the approval of Nomination and Remuneration Committee of the Board of Directors of the Company, provided, however, that the remuneration payable to Mr. Suranna shall be within the limits set out in the Companies Act, 2013 and Schedule V to the said Act, or any amendments thereto or any modification(s) or statutory reenactment(s) thereof and /or any rules or regulations framed there under.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

6. **Reappointment of Dr. Pranab Ranjan Mukherjee as a Whole Time Director**

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the recommendation of Nomination and Remuneration Committee of the Board of Directors and provisions of Section 196, 197 and 198 and other applicable provisions if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Ministry of Corporate Affairs, from time to time, or any other law and subject to such other approvals, as may be necessary, and terms as are agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf), and as per the relevant provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the reappointment of Dr. Pranab Ranjan Mukherjee (DIN – 00240758) as Whole-Time-Director (Technical) of the Company, for a period of 1 (One) year with effect from 01st October, 2017, upon the terms and conditions as are set out in the Statement annexed hereto.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals as may be applicable for the time being in

force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the reappointment and remuneration, from time to time, as may be agreed to by the Board and Dr. Pranab Ranjan Mukherjee subject to the approval of Nomination and Remuneration Committee of the Board of Directors of the Company, provided, however, that the remuneration payable to Dr. Mukherjee shall be within the limits set out in the Companies Act, 2013 and Schedule V to the said Act, or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and /or any rules or regulations framed there under.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, things, deeds and matters which are connected therewith or incidental thereto and take all necessary steps, as may be necessary, proper or expedient, to give effect to this resolution.”

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 30th Day of May, 2017
Place: Kolkata

A.B. Chakrabarty (FCS- 7184)
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. MEMBERS ARE REQUESTED TO NOTE THAT PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE, A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. IF A PROXY IS APPOINTED FOR MORE THAN 50 MEMBERS, THE PROXY SHALL CHOOSE ANY FIFTY MEMBERS AND CONFIRM THE SAME TO COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. IN CASE, THE PROXY FAILS TO DO SO, THE FIRST 50 PROXIES RECEIVED BY THE COMPANY SHALL BE CONSIDERED AS VALID.

THE INSTRUMENT APPOINTING PROXY, DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED, EITHER IN PERSON OR THROUGH POST, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING (i.e. ON OR BEFORE 21ST SEPTEMBER, 2017, 10:00 A.M. IST). A PROXY FORM FOR THE AGM IS ENCLOSED.
2. Corporate Members intending to send their authorized representatives to attend the meeting are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, or upload it on the e-voting portal (for e-voting), authorizing their representative to attend and/or vote on their behalf at the AGM.
3. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. The members/proxies/authorized representatives are requested to bring duly filled attendance slip (as enclosed herewith) along with their copy of Annual Report at the AGM and hand it over at the counter at the venue.

4. The Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
5. Register of Directors and Key Managerial Personnel of the Company and their respective shareholding maintained under Section 170 of the Companies Act, 2013 ('the Act') will be available for inspection by the members at the AGM.
6. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on all resolutions set forth in the Notice convening the 32nd Annual General Meeting (AGM) electronically through electronic voting (e-voting) services facilitated by the National Securities Depository Limited (NSDL) and all items of the business may be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) services provided by National Securities Depositories Limited ("NSDL"). Instructions and other information relating to remote e-voting are given in the notice under note no.19. The Company will also send communication relating to remote e voting which inter alia would contain details about User ID and password along with a copy of this notice to the members, separately.

The Company shall also arrange for the physical voting by use of ballot or polling paper at the AGM for the members who have not cast their vote through remote e-voting. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again. The Board of Directors of the Company has appointed Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699) as the Scrutinizer for this purpose.

8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Saturday, 16th September, 2017 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or ballot voting at the AGM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in order of names, will be entitled to vote at the meeting.
10. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 16th September, 2017 to Saturday, 23rd September, 2017 (both days inclusive).
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Report and other communication through electronic mode to those members who have registered their e-mail addresses either with the Company or with Depository Participant(s). Members who have not registered their e-mail addresses may now register the same. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members holding physical shares may register their e-mail address with the Registrar and Share Transfer Agents of the Company. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
12. The Notice of the 32nd AGM, details and instructions for remote e-voting and the Annual Report of the Company for the year ended 31st March, 2017 along with attendance slip and proxy form are uploaded on the Company's website www.kkalpanagroup.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has

requested for a physical copy of the same. For the members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

13. Members, holding shares in physical mode are requested to notify the change in their address / mandate/ bank account to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, the Registrar & Share Transfer Agent of the Company. Members holding shares in demat form, are requested to intimate any change in their address and/or bank mandate to their Depository Participant(s). The Company cannot act on any request received directly from members holding shares in demat form for any change in their particulars.
14. Members are requested to address all correspondences, including those on dividends, to the Registrar and Share Transfer Agents, as mentioned above.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Limited.
16. Dividend for the financial year ended 31st March, 2010, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government ('IEPF') on 05th November, 2017, pursuant to the provisions of Section 205C of the erstwhile Companies Act, 1956 (Section 125 of the Companies Act, 2013). In respect of the said dividend, it will not be possible to entertain claims received by the Company after 04th November, 2017.

Members, who are yet to encash their dividend warrants for the financial year 2009-10 or any subsequent financial years, are requested to correspond/lodge their claims with the Company's Registrar & Share Transfer Agents without delay. The details of dividend unclaimed by the members for the past years which have not yet been transferred to the Central Government are readily available for view by the members on the website of the Company (www.kkalpanagroup.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Further, the members are advised to glance through the database and lodge their claim for dividend, which has remained unclaimed, with the Company's Registrar and Share Transfer Agents.

The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies, Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these, members are requested to note that dividends that are not encashed/ claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Shares on which dividend remains unpaid/ unclaimed for seven consecutive years will be transferred to demat account of IEPF Authority as per section 124 of the Act, and applicable rules, notifications, if any. Hence the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The shareholders whose dividend/ shares are transferred to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

17. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all shares, as above, to demat account of the IEPF Authority, in accordance with IEPF Rules as and when notified.
18. As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
19. **Process and manner for members opting for remote e-voting are as under:**
 - I. The remote e-voting period commences on 20th September, 2017 (9:00 a.m) and ends on 22nd September,

2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The rights of members shall be proportionate to their share of the paid-up equity share capital of the company as on the cut-off date. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

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

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Kkalpana Industries (India) Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to daga.ashok@gmail.com with a copy marked to evoting@nsdl.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM, in the following format :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

IV. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th September, 2017.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. Mr. Ashok Kumar Daga, Practicing Company Secretary (Membership No. FCS-2699) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the ballot voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kkalpanagroup.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to concerned stock exchanges where the company's shares are listed.
20. The Resolutions shall be deemed to be passed on the date of Annual General Meeting, subject to receipt of sufficient votes.
21. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 01.00 p.m. up to the date of Meeting.
22. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed to the Notice.
23. We urge members to support our commitment to environment protection by choosing to receive their shareholding communication through email. You can do this by updating your email address with your depository participants (in case of demat holdings) or with the RTA (in case of physical holdings)
24. Members desiring any information/clarification relating to the accounts and operations of the company or intending to raise any query are requested to write to the Company atleast 10 days in advance of the meeting, to the Company Secretary at the registered office address, so as to enable the management to keep the information ready.
25. Additional Information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, in respect of Directors seeking appointment / re appointment at the AGM, is as under. Requisite declarations have been received from the Directors seeking appointment/re-appointment.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In Pursuance of Regulation 36(3) of SEBI Listing Regulations)

Name of Director	Mr. Narrindra Suranna* (DIN 00060127)	Dr. P.R. Mukherjee (DIN 00240758)
Date of Birth	01.08.1961	10.10.1945
Date of Appointment on the Board	17.07.1996	01.10.2014
Qualification	B.Com (Hons.) & L.L.B from Calcutta University.	B.Sc(Hons.), M.Sc (Spl Organic), Ph.D in Stereo Chemical Studies in Organic Reactions.
Expertise	Mr. Suranna is a Promoter and has been associated with the Company since inception. He has got wide range of experience in plastic industry. Due to his dynamic leadership, the Company has reached its present height.	Dr.Mukherjee has 40 years of experience in corporate arena particularly, in Plastic and Ploymers Industries.
Directorships held in other public companies including private companies which are subsidiaries of public companies #	None	None
Memberships / Chairmanships of Committees across other companies in which he/she is a Director	None	None
Memberships / Chairmanships of Committees in the company	Member of CSR Committee	Chairman of CSR Committee and member of Stakeholders Relationship Committee
Shareholding in the Company	2000	NIL
Relationship with other Directors	NIL	NIL

Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies

* Office of Mr. Narrindra Suranna as Managing Director is not rotational as per terms of Articles 148 of the Articles of Association of the Company.

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 30th Day of May, 2017
Place: Kolkata

A.B. Chakrabarty (FCS- 7184)
Company Secretary

Statement pursuant to Section 102 of The Companies Act, 2013

The following Statement sets out all the material facts relating to the Special Business in the accompanying Notice:

Item No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s D. Sabyasachi & Co, Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Act read with the relevant provisions of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 25,000/- plus taxes as applicable and out of pocket expenses, was recommended by the Board and Audit Committee as payable to the Cost Auditors. The shareholders of the Company are requested to confirm and ratify the said remunerations, if so thought fit.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business under Item No. 4 of the Notice, for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Board recommends the resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Item No.5

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 30th May, 2017, approved the re-appointment of Mr. Narrindra Suranna (DIN – 00060127) as Managing Director of the Company for a period of 5 (Five) years with effect from 01st August, 2017, subject to approval of members, on the following main terms and conditions:

1. The appointment shall be for a period of five years commencing from 01st August, 2017 as Managing Director.
2. Pursuant to Article 148 of the Articles of Association of the Company, Mr. Narrindra Suranna will not be liable to retire by rotation, while he continues as a Managing Director of the Company.
3. As Managing Director, Mr. Suranna shall perform such duties and exercise such powers as are entrusted to him, from time to time, by the Board of Directors.
4. In consideration of the performance of his duties to the Company, Mr. Suranna shall be entitled to the following remuneration:

A. Remuneration:

Salary: - Rs.3,00,000/- (Three Lacs only) per month in the scale (Rs.3,00,000 – Rs.25,000 – Rs.4,00,000).

The annual increment, which will be merit based, will be effective from 1st April each year, and the same will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company.

B. Perquisites:

- I. One month's salary as Ex-gratia per year.
- II. One month's paid leave per year, which may be encashable in part or in full, as per the Company Rules.
- III. The actual petrol and mobile expenses, for official use, shall be reimbursed.

C. Gratuity:

As per Company Rules.

5. Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the continuance of the tenure of office of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, as specified above, as minimum remuneration, subject to the ceiling specified in Schedule V to the Companies Act, 2013 or any amendments thereto.

6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or reenactment thereof, the Board shall be entitled to alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr. Suranna may be entitled as aforesaid.

The approval of the members is sought pursuant to the provisions of Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, for the above reappointment of Mr. Narrindra Suranna as Managing Director of the Company and payment of remuneration to him.

The Board of Directors recommends the Special Resolution, being Item No. 5 of the Notice convening this AGM, for approval of the members.

Mr. Suranna is not related to any other Director of the Company. A brief resume of Mr. Suranna as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

Save and except Mr. Narindra Suranna, none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Item No. 6

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 30th May, 2017, approved re-appointment of Dr. Pranab Ranjan Mukherjee (DIN - 00240758), aged 71 years, as Whole-Time-Director (Technical) of the Company for a period of 1 (One) year with effect from 01st October, 2017, on the following main terms and conditions:

1. The appointment shall be for a period of One year commencing from 01st October, 2017 as Whole-Time-Director (Technical)
2. Dr. Pranab Ranjan Mukherjee will be liable to retire by rotation while he continues as a Whole-Time-Director of the Company.
3. As Whole time Director (Technical), Dr. Mukherjee shall perform such duties and exercise such powers as are entrusted to him, from time to time, by the Managing Director and /or the Board of Directors.
4. In consideration of the performance of his duties to the Company, Dr. Mukherjee shall be entitled to the following remuneration:

A. Remuneration:

Salary of Rs. 1,28,571/- (Rupees One Lac Twenty Eight Thousand Five Hundred Seventy One only) per month.

B. Perquisites:

I. One month's salary as Ex-gratia per year.

II. One month's paid leave per year, which may be encashable in part or in full, as per the Company Rules.

C. Gratuity:

As per Company Rules.

5. Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the continuance of the tenure of office of the Whole-Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites, as specified above, as minimum remuneration, subject to the ceiling specified in Schedule V of the Companies Act, 2013 or any amendments thereto.

6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013, or any statutory modification or reenactment thereof, the Board shall be entitled to alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Dr. Mukherjee may be entitled as aforesaid.

Mr. Mukherjee (aged 71 years) has been associated with the Company since 2009 and has over 40 years'

experience in Plastic and Polymer Industry. A brief profile of Mr. Mukherjee, including nature of expertise, is provided in the annexure to the Notice. He was appointed as Whole Time Director (Technical) for a period of 3 (three) years from 01.10.2014 to 30.09.2017. Pursuant to provisions of Section 196(3), the company cannot appoint/continue the appointment of a Whole Time Director who has attained the age of 70 years provided such appointment is made by passing special resolution. The Board of Directors of your company is of the opinion that his association with your company will be technically and financially a sound proposition.

The special resolution, being Item No. 6 of the notice convening the Annual General Meeting is intended for the purpose.

The Board of Directors recommend the special resolution for approval of members and accordingly the approval of the members is sought pursuant to the provisions of Section 196,197,198 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, for the above reappointment of Dr. Mukherjee as Whole – Time- Director of the Company and payment of remuneration to him.

Mr. Mukherjee is not related to any other Director of the Company. A brief resume of Mr. Mukherjee as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as Annexure to this Notice.

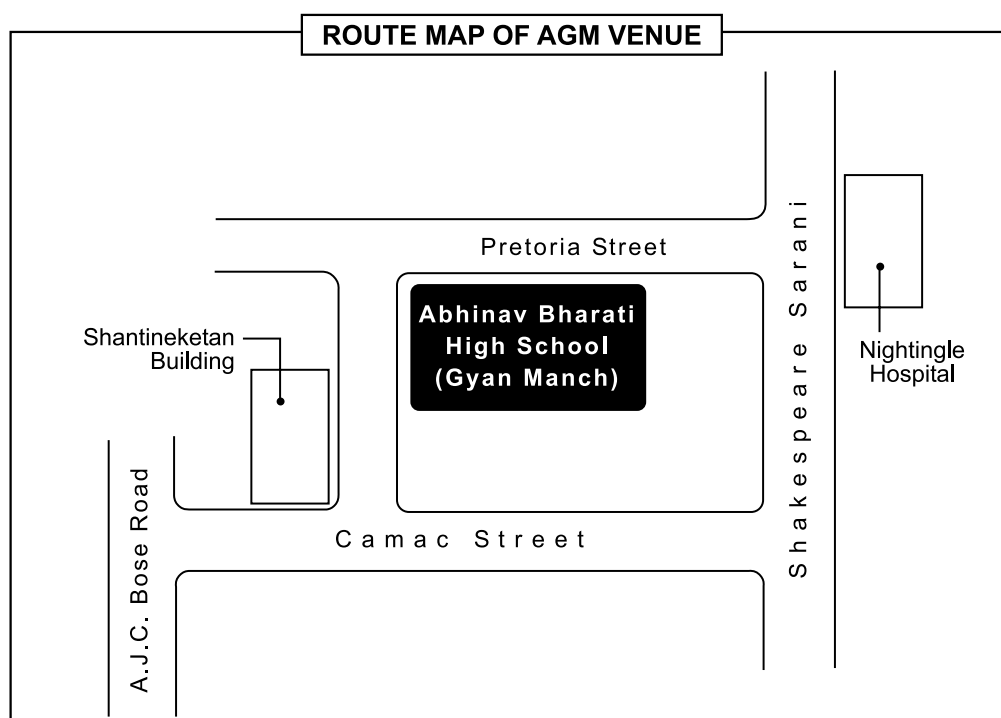
Save and except Dr. Mukherjee (DIN 00240758), none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financially or otherwise).

Registered Office:
2B, Pretoria Street,
Kolkata-700071

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Date: 30th Day of May, 2017
Place: Kolkata

A.B. Chakrabarty (FCS- 7184)
Company Secretary



ADDENDUM TO THE NOTICE OF 32ND ANNUAL GENERAL MEETING OF MEMBERS OF KKALPANA INDUSTRIES (INDIA) LIMITED

SPECIAL BUSINESS:

7. Appointment of Mr. Samir Kumar Dutta (DIN 07824452) as Independent Director of the Company

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

“RESOLVED THAT Mr. Samir Kumar Dutta (DIN 07824452), appointed by the Board of Directors as an Additional Director of the Company, with effect from 21st June, 2017 under provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Samir Kumar Dutta for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or reenactment thereof and Article 123 of the Articles of Association of the Company, Mr. Samir Kumar Dutta , who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a period of five (5) consecutive years up to the fifth consecutive AGM of the Company to be held in the year 2022, whose period of office shall not be liable to retirement by rotation .”

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 7

The Board of Directors had, pursuant to recommendation by the Nomination and Remuneration Committee, at its meeting held on 30th May, 2017, appointed Mr. Samir Kumar Dutta (DIN 07824452), aged 73 years, as an Additional Director of the Company with effect from 21st June, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (“the Act”) in the category “Independent Director”.

As an additional director, Mr. Samir Kumar Dutta, will hold office only upto the date of this Annual General Meeting. Mr. Dutta, being eligible and offering himself for appointment, is proposed to be appointed as a director of the Company. A notice under Section 160 of the Companies Act, 2013 has been received from a member proposing Mr. Samir Kumar Dutta (DIN: 07824452) as a candidate for the office of Director of the Company.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, he is also proposed to be appointed as an Independent Director for a period of five(5) consecutive years, up to the fifth consecutive AGM of the Company to be held in the year 2022, whose period of office shall not be liable to determination by retirement by rotation.

Mr. Dutta, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Mr. Samir Kumar Dutta (DIN: 07824452) as Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day and is also available on the website of the company (www.kkalpanagroup.com).

Save and except Mr. Samir Kumar Dutta, none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The Proposed Special Business does not relate to or affects any other company (financial or otherwise).

Registered Office:

2B, Pretoria Street,

Kolkata-700071

Date: 10th Day of August, 2017

Place: Kolkata

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Tanvi Panday (ACS- 31176)
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Mr. Samir Kumar Dutta (DIN:07824452)
Date of Birth	04.12.1943
Date of Appointment on the Board	21.06.2017
Qualification	B.Sc from Calcutta University. He is a Fellow member at Institute of Cost Accountants of India
Expertise	He has over 40 years of experience in corporate and financial matters.
Directorships held in other public companies including private companies which are subsidiaries of public companies #	None
Memberships / Chairmanships of Committees across other companies in which he is a Director	None
Memberships / Chairmanships of Committees in the company	Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.
Shareholding in the Company	NIL
Relationship with other Directors	NIL

Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies

Registered Office:

2B, Pretoria Street,

Kolkata-700071

Date: 10th Day of August, 2017

Place: Kolkata

By Order of the Board of Directors
For Kkalpana Industries (India) Limited

Tanvi Panday (ACS- 31176)
Company Secretary

Directors' Report

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 32nd Annual Report together with the Audited Statement of Accounts of **Kkalpana Industries (India) Limited** ("the Company") for the year ended March 31, 2017.

Summarized Financial Results (₹ In Lacs)

	Standalone		2016-17 Consolidated*
	2016-2017	2015-2016	
Net Turnover and other Income	195726.5	187657.88	195726.5
Profit before Depreciation, Interest & Tax	9489.63	10925.19	9486.51
Less : Depreciation	1313.76	1448.92	1313.76
Interest	4438.73	5104.62	4438.73
Profit before Tax	3737.14	4371.65	3734.02
Less: Exceptional Item		2668.98	
Less : Provision for Tax	1163.09	563.32	1163.09
Profit After Tax	2574.04	1139.35	2570.93
Add: Profit brought forward from previous year.	12980.23	11840.90	12980.23
Less: Impact of depreciation as per schedule II of Companies Act, 2013	0	0	0
Amount Available for Appropriation	15554.29	12980.23	15551.16
Appropriation			
Proposed final dividend on Equity Shares	0	0	
Corporate Dividend Tax	0	0	
Transfer to General Reserve	0	0	
Surplus carried to Balance Sheet	15554.29	12980.23	15551.16

* M/s. Plastic Processors & Exporter Private Limited has become a Subsidiary of your Company during the financial year under review. As per AS 21 issued by ICAI if on the first occasion that Consolidated Financial Statements are presented, comparative figures for the previous period need not be presented.

Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. IndAS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. For your Company, Ind AS is applicable from 1st April, 2017.

Goods and Service Tax

Your Company has been preparing for migrating to GST. Changes across IT systems, supply chain and operations have been made keeping in mind the sweeping changes that GST would bring in. While there are few areas that need to be addressed, the Government has announced an intention to go live on GST w.e.f. 01st July, 2017 and your company will be ready for this transformative reform.

Dividend

Taking into consideration, increased working capital requirement and expected substantial increase in operation in the year 2017-18, your directors do not recommend any dividend in respect of financial year ended 31st March, 2017.

Operations and State of Company's Affairs

During the year under review, your Company achieved total revenue of Rs. 1957.26 Crores as against total revenue of Rs. 1876.58 Crores in the previous financial year. The Profit after Tax is Rs. 25.74 Crores as against Rs. 11.39 Crores in the previous year.

The Company's production and sales have recorded a significant growth over the previous year. Higher level of Capacity Utilisation backed by strong volume growth, tighter cost control geared the Company to register notable performance for the year.

Transfer of Amount to Investor Education and Protection Fund

Dividend for the financial year ended 31st March, 2010, which remains unpaid or unclaimed for a period of seven years, will be due for transfer to Investor Education and Protection Fund (IEPF) on 5th November, 2017. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2010 or any subsequent financial years, are requested to lodge their claims without any delay.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.29.09.2016), with the Ministry of Corporate Affairs.

Fixed Deposits

Your Company did not invite or accept any deposits from public and /or shareholders during the year under review. As of 31st March, 2017, there were no unpaid fixed deposits with the Company.

Transfer to General Reserve

The Company proposes not to transfer any funds out of its total profit of 25.74 Crore for the financial year to the General Reserve.

Research and Development

Your Company recognizes that Research & Development plays a critical role in supporting current operations as well as future growth. Your Company has focused its attention on development of Products that have wide industrial applications, particularly in cable, piping, packaging and footwear industries.

Directors and Key Managerial Personnel

Shri Nirmalendu Guha ceased to be a Director on the Board due to his sudden demise on 23rd April, 2017. The Board of Directors places on record its sincere appreciation of the valuable contributions made by him during his tenure of office.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr. Pranab Ranjan Mukherjee (DIN -00240758), Whole Time Director (Technical) of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Further, the Board, on recommendation of Nomination & Remuneration Committee, approved the reappointment of Mr. Narrindra Suranna as Managing Director for a period of five years w.e.f 01st August, 2017 and also the reappointment of Dr. Pranab Ranjan Mukherjee as Whole Time Director (Technical) for a period of one year w.e.f 01st October, 2017, subject to the approval of the members. Accordingly, approval of the members is sought for reappointments of Mr. Narrindra Suranna and Dr. Pranab Ranjan Mukherjee at the forthcoming AGM.

The Board, pursuant to the recommendation of Nomination and Remuneration Committee, at its meeting held on 30th May, 2017, approved the resignation of Mr. A.B. Chakrabarty, Company Secretary of the Company w.e.f. 01st June, 2017 and appointed Ms. Tanvi Panday (ACS-31176) as the Company Secretary and Compliance Officer of the Company w.e.f. 01st June, 2017.

None of the Independent Directors are due for reappointment.

Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meeting are provided in the Corporate Governance Report.

Declaration by Independent Directors

The Company has received necessary declarations from each independent Director of the Company, pursuant to provisions of Section 149(7), confirming that they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarization Programme for Independent Directors

The Company has organized a familiarization programme for the Independent Directors as per the requirement of the Companies Act, 2013 and Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All new independent directors inducted into the Board attend the orientation programme. Further, at the time of the appointment of an Independent Director, the company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available under the head draft letter of appointment on our website (www.kkalpanagroup.com/investor-relations.php)

Policy on Director's appointment and remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2017, the Board had 6 members, 3 of whom were executive and 3 were independent directors.

The Company's Policy for selection and appointment of Directors and their remuneration is based on its NRC policy which, inter alia, deals with the manner of selection of the Directors and such other matters as provided under section 178(3) of the Act and 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under section 178(3) of Companies Act, 2013 is available on our website under the head Policy at www.kkalpanagroup.com/investor-relations.php.

There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Board meetings

The Board met Six times during the financial year under review, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;

- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and
- (f) 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.

Auditors & Audit

The Statutory Auditors of the Company, M/s.B.Mukherjee & Co, Chartered Accountants, Kolkata (Firm Registration No.302096E), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if appointed. The Audit Committee and the Board of Directors recommends the appointment of M/s. B.Mukherjee & Co., Chartered accountants, as the Auditors of the Company for a continuous period of 5 (five) years subject to ratification by the shareholders at every subsequent Annual General Meeting.

Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The observations of the Auditors in the Report on Accounts read with the relevant notes are self-explanatory and do not call for any further comments.

Internal Auditors

The Board of Directors of your Company has re-appointed M/s. DKD& Associates,Chartered Accountants, Kolkata (Firm Registration No.322657E) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2017-2018.

Cost Auditors

Pursuant to section 148 of the Companies Act,2013 and subject to notification of rules thereunder, the board of directors, on the recommendation of the audit committee, has appointed M/s. D. Sabyasachi& Co. (Membership NO. 00369), Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2017-18. M/s. D. Sabyasachi& Co. have confirmed that their appointment is within the prescribed limits and they are free from any disqualifications as provided in section 141 of the Companies Act, 2013.

Secretarial Audit

The Board had appointed Mr. Ashok Kumar Daga (Membership No.-FCS- 2699), Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2016-17. The report of the Secretarial Auditors for the Financial Year 2016-17 in Form MR-3 is annexed herewith as **Annexure 1** to this report. The report is self-explanatory and does not call for any further comments.

Policies

The SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All applicable policies are available under the head Policy on the Company's website:www.kkalpanagroup.com/investor-relations.php. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Corporate Social Responsibility (CSR)

The Company has a Corporate Social Responsibility Committee, constitution of which is detailed in the Corporate Governance Report forming part of this Report. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available under the head policy at: <http://www.kkalpanagroup.com/investor-relations.php>. The Annual Report on CSR expenditures for the FY 2016-17 is annexed herewith and forms part of this report and marked as **Annexure - 2**.

Related party transactions

Your Company has formulated Policy on Related Party Transaction (RTP) which is available on Company's website www.kkalpanagroup.com. There were no transactions entered with related parties for the year under review. Thus, disclosure required under section 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key managerial Personnel.

Subsidiaries/ Joint Ventures / Associate Companies

M/s. Plastic Processors & Exporter Private Limited has become a Subsidiary of the Company during the financial year under review. Your Company has one Associate company. The financial position of these two companies is given in Form AOC- 1 and forms part of the report as 'Annexure – 3'.

Performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of the Company during the period

Subsidiary

M/s Plastic Processors and Exporter Private Limited became subsidiary of your company in the last quarter of 2016-17. There was no operation and hence its performance has not been detailed herein.

Associate

The operations, of the associate company, M/s Kkalpana Plastick Limited, remained suspended for the entire Financial Year 2016-17 and, therefore, its performance has not been detailed herein.

Change in nature of Business, if any

There has been no change in the nature of business of the Company. Your Company continues to be one of the leading manufacturers of Polymer compound in the Country.

Material changes and commitments affecting the financial position of the Company

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

Particulars of Loans, Guarantees and Investments

The Company has not given loans, guarantees or made investments exceeding sixty per cent of the aggregate of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the financial statement (please refer to Note 12 and 13 to the financial statement).

Risk Management Policy

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically.

Significant and material orders passed by the regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the company's operations.

Disclosure as per Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Committee has been setup to redress complaints received regarding sexual harassment and all employees are covered under this policy. During the financial year 2016-17, no complaint of sexual harassment has been received by the Company.

Board Evaluation

The Company has devised a policy for performance evaluation of Independent Directors and the Board, which includes criteria for performance evaluation of the non-executive and executive Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the formal annual evaluation was carried out for the Board's own performance, its committees & Individual Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning including adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out for the evaluation of individual Directors (both Executive and Non – executive/ Independent Directors), Board Committees and the Chairman. The Directors evaluation was broadly based on parameters such as, meeting the expectation of stakeholders, guidance and review of corporate strategy, risks, participation and attendance at Board / Committee meetings, interpersonal skills. The performance evaluation of the Chairman of the Company was undertaken by the Independent Directors taking into account the views of Executive Directors and Non –Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. The directors expressed overall satisfaction on the evaluation process. Based on the feedback of the Board Evaluation Process, appropriate measures were taken to further improve the process and other aspects.

Particulars of Employees

None of the employees, employed during the year, was in receipt of remuneration, in aggregate of Rupees 1,02,00,000 or more per annum for the financial year 2016-17, or Rs. 8,50,000 or more per month for any part of the Financial Year, as set out in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, no such details have been provided or required under section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with sub-section 12 of Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report and is marked as '**Annexure 4**'

Extract of Annual Return

Pursuant to the provisions of section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed and is marked as '**Annexure 5**'.

Vigil mechanism

Pursuant to the requirement of the Section 177(9) of the Companies Act, 2013, the Company has established vigil mechanism which also incorporates a whistle blower policy in terms of the SEBI Listing Regulations. Protected disclosures can be made by a whistle blower through an e mail or phone or letter to the chairman of Audit Committee.

Internal financial controls

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices, etc. to the registered E-mail addresses of shareholders. Your Company has accordingly arranged to send the electronic copies of these documents to shareholders whose email addresses are registered with the Company/ Depository Participant(s), wherever applicable. In case any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request from the shareholder. For members who have not registered their e-mail addresses, physical copies are sent in permitted mode.

Human Resources and Industrial Relations

The Industrial relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your directors wish to place on record the co-operation received from the Staff and Workers, at all levels and at all units.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

Your Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on day to day basis. The Company has used fuels in appropriate mix to attain maximum savings.

As required under Companies (Accounts) Rules, 2014, the particulars of energy conservation, Technology Absorption and Foreign Exchange Earnings and outgo is given in the prescribed format as an Annexure to the Report and marked as '**Annexure - 6**'.

Management's Discussion and Analysis Report

In accordance with Regulation 34 (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report and marked as '**Annexure - 7**'.

Corporate Governance

The Company is committed to good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2017, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report and marked as '**Annexure - 8**'.

Acknowledgement

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Governments authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to place on record their appreciation to all of the Company's employees and workers at all level for their enormous personal efforts as well as their collective contribution to the Company's performance.

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2017

Form No. MR-3

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

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KKALPANA INDUSTRIES (INDIA) LIMITED
KOLKATA - 700071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KKALPANA INDUSTRIES (INDIA) LIMITED. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31ST, March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KKALPANA INDUSTRIES (INDIA) LIMITED ("the Company") for the financial year ended on 31ST, March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable, since the company has not raised share capital during the year.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not applicable, since the company has not issued shares as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable, since the company has not issued any debt securities as per (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
Not applicable, since the company has not applied for delisting of its shares from any stock exchange during the year.

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
Not applicable, since the company has not bought back of shares during the year

(vi) Other specifically applicable laws to the Company.

(a) Water(Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981.

(b) Factories License under Factories Act, 1948 for its units situated in different places.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(1) The company has not spent the balance amount of Rs. 2.74 lakhs out of Rs. 66.61 lacs, which is the two percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, pursuant to Sec. 135(5) of the Companies Act, 2013.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the company had issued Postal Ballot Notice, pursuant to Section 110 of the Companies Act, 2013 and Rule 22 of Companies (Management and Administration), Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on 9th March, 2017 to seek the consent of members in the following matters:

- (i) Recalling of Special Resolution passed by members through postal ballot voting the result whereof was declared on 23rd December, 2015, in connection with shifting of registered office from the state of West Bengal to the Union Territory of Dadra and Nagar Haveli, pursuant to Section 12 and 13 of the Companies Act, 2013
- (ii) Recalling of Special Resolution passed by members through postal ballot voting, the result whereof was declared on 23rd December, 2015, in connection with sell/transfer of the Unit situated at Falta Special Economic Zone (SEZ), Plot No. 29, Sector-1, Falta, 24 Paraganas (S), West Bengal, pursuant to Section 180(1)(a).
- (iii) Special Resolution for conversion of loan into Equity in case of default in repayment of loan, pursuant to section 62(3) of the Companies Act, 2013.

The aforesaid proposed resolutions were passed as per result declared by the Company on 26th April, 2017.

Place: KOLKATA

Date : 30.05.2017

ASHOK KUMAR DAGA

FCS No.2699 , C P No: 2948

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

- (1) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

The Corporate Social Responsibility Policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "Kkalpana Industries (India) Limited CSR Policy". This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR Vision– Providing assistance in the development of weaker sections of the society, promoting health care and zeal of education in every spirit and ensuring environmental sustainability.

The CSR policy of the Company is available on the website of the Company under the head policy at www.kkalpanagroup.com/investor-relations.php.

- (2) The Composition of the CSR Committee.**

Dr. P. R. Mukherjee- Chairman

Mr. Narrindra Suranna – Member

Mr. R. K. Kothari – Member

- (3) Average net profit of the company for last three financial years: Rs. 3330.35Lacs**

- (4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above) Rs.66.61 Lacs**

- (5) Details of CSR spent during the financial year.**

(a) Total amount to be spent for the financial year;Rs. 127.74 (including unspent amount of Rs. 61.13 Lacs for the Financial Year 2015-16)

(b) Amount unspent, if any : Rs. 2.74 lacs

(c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.I. No	CSR project or activity identified (relevant clause prescribed under the Act)	Sector in which the project is covered	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Details of Implementing Agency
1	Clause(ii) of Schedule VII of the Act.	Promoting education, including special education	Local area i.e. Kolkata- West Bengal	Rs. 1,25,00,000	Rs. 1,25,00,000	Rs. 1,25,00,000	Acharya Mahapragya Mahashraman Education and Research Foundation (AMMERF), Kolkata

- (6) The reasons for not spending two (2) % of the average net profit of the last three (3) years or any part thereof:**

The company was required to spent Rs. 66.61 lacs during the financial year 2016-17. However, an amount of Rs. 61.13 lacs was brought forward in respect of the financial year 2015-16. Therefore, total sum to be spent for 2015-2016 and 2016-2017 amounted to Rs.127.74 lacs. The Company has spent Rs. 125.00 lacs during the financial year 2016-17. The balance amount of Rs. 2.74 lacs is carried forward to the financial year 2017-18. This small sum of Rs. 2.74 lacs remained unspent in 2016-17 due to negotiation hassles for proper project identification.

- (7) Responsibility statement:**

The CSR Committee of the Board confirms that the implementation and monitoring of CSR Policy is in line with the CSR Objectives and Policy of the Company.

(Narrindra Suranna, Managing Director)	(Dr. P.R. Mukherjee, Chairman, CSR Committee)
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AOC – 1

[Pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

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

Part “A”: Subsidiaries

	Name of the Subsidiary	PLASTIC PROCESSORS AND EXPORTER PRIVATE LIMITED
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2016 to 31.03.2017
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Rupees
3.	Share Capital	5,00,000
4.	Reserves & surplus	23,58,077
5.	Total assets	42,45,178
6.	Total liabilities	42,45,178
7.	Investments	-
8.	Turnover	-
9.	Profit before taxation	(7,63,027)
10.	Provision for taxation	-
11.	Profit after taxation	(7,63,027)
12.	Proposed Dividend	-
13.	% of shareholding	90%
Notes: The following information shall be furnished at the end of the statement		
1	Names of Subsidiaries which are yet to commence operations	N.A.
2	Names of subsidiaries which have been liquidated or sold during the year	N.A.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN: 02168932)

Whole Time Director

B. Mukherjee

Partner

Membership No. 002941

Date: 30.05.2017

Place : Kolkata

A.B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Part “B”: Associates and Joint Ventures

	Name of the Associates	KKALPANA PLASTICK LIMITED
1.	Latest audited Balance Sheet Date	31.03.2017
2.	Shares of Associate held by the company on the year end	
	i.Number	2002920
	ii.Amount of Investment in Associates (Rs. In lacs)	200.29
	iii.Extend of Holding %	36.23
3.	Description of how there is significant influence	By way of ownership
4.	Reason why the associate is not consolidated	Inability to transfer funds to the investors [Please refer to AS-23 para 7b]
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. In lacs)	217.76
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation (Rs. In lacs)	(8.39)

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

For **B. Mukherjee & Co.***Chartered Accountants*

Firm Registration No.: 302096E

For and on behalf of the Board of Directors

NarrindraSuranna

(DIN: 00060127)

*Chairman and Managing Director***Rajesh Kumar Kothari**

(DIN: 02168932)

*Whole Time Director***B. Mukherjee***Partner*

Membership No. 002941

Date: 30.05.2017

Place : Kolkata

A.B. Chakrabarty

(Membership No. FCS 7184)

*Company Secretary***Indar Chand Dakalia***Chief Financial Officer*

Disclosure in Board's report as per the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl. No	Requirements of Rule 5(1)	Name& Designation of Key Managerial Personnel	Details
1	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year.	Mr. N.Suranna, Managing Director	13.87 : 1
		Mr. R.K.Kothari, Whole Time Director	10.32 : 1
		Dr.P.R.Mukherjee, Whole Time Director (Technical)	7.43 : 1
2	The percentage increase in remuneration of each director, CFO, CEO,CS or manager, if any, in the financial year.	Mr. N.Suranna, Managing Director	7.69%
		Mr. R.K.Kothari, Whole Time Director	No change
		Dr.P.R.Mukherjee, Whole Time Director(Technical)	5.88%
		Mr. I.C.Dakalia, Chief Financial Officer	17.20%
		Mr. A .B.Chakrabarty, Company Secretary	5.09%
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 13.47%.	
4	The number of permanent employees on the rolls of Company	There were 305 Employees as on 31.03.2017.	
5	The explanation on the relationship between average increase in remuneration and company performance.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
6	Comparison of the remuneration of the KMP against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	
7	Variation in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.	

8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increases in the managerial remuneration.	<p>Average salary increase of non-managerial employees is 14.13%.</p> <p>Average salary increase of managerial employees is 6.29%</p> <p>There are no exceptional circumstances for increase in the managerial remuneration.</p>
9	The key parameters for any variable component of remuneration availed by the directors.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30.06.2017.
12	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other employees.

Note : Managing Director & Whole Time Directors are Whole Time Directors & Other Directors are Non –Executive Independent Directors , who are paid only sitting fees for attending the Board and Committee meetings. Hence, ratios provided are only for Managing Directors & Whole Time Directors.

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2017

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017

of

KKALPANA INDUSTRIES (INDIA) LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L19202WB1985PLC039431
ii	Registration Date	03.09.1985
iii	Name of the Company	KKALPANA INDUSTRIES (INDIA) LIMITED
iv	Category/Sub-category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v	Address of the Registered office & contact details	2B PRETORIA STREET, KOLKATA – 700 071 Phone : 033 2282 3744 /45, Fax :- 033 2282 3739 E Mail :- Kolkata@kkalpana.co.in Website: www.kkalpanagroup.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S C.B.Management Services (P)Ltd P-22, Bondel Road,Kolkata-700019 Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700 Fax: 033 4011 6739 Email:rta@cbmsl.com Website: www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	PE Compound	20131	49%
2.	PVC Compound	20131	28%
3.	Others	20131	23%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Plastic Processors & Exporter Private Limited Address: Unit-1007, D Mall, A1, Netaji Subhash Place, Pitampura, North West Delhi - 110034	U25209DL2005PTC144256	Subsidiary	90.00	2(97)(ii)
2.	Kkalpana Plastick Limited Address- 2B, Pretoria Street, Kolkata - 700 071	L25200WB1989PLC047702	Associate Company	36.23	2(6)

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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	764860	0	764860	0.81	764860	0	764860	0.81	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	68503515	0	68503515	72.82	68503515	0	68503515	72.82	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	69268375	0	69268375	73.63	69268375	0	69268375	73.63	0.00
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	69268375	0	69268375	73.63	69268375	0	69268375	73.63	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	4000	4000	0.00	0	4000	4000	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
C) Central govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	0	4000	4000	0.00	0	4000	4000	0.00	0.00

KKALPANA INDUSTRIES (INDIA) LIMITED

(2) Non Institutions									
a) Bodies corporate	12212840	2347195	14560035	15.48	13976338	255500	14231838	15.13	-0.35
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	4983059	2205610	7188669	7.64	4936933	2155100	7092033	7.54	-0.10
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	2575357	0	2575357	2.74	2997655	0	2997655	3.19	0.45
c) Others (specify)									
c)(i) Non-Resident Individuals	120032	332000	452032	0.48	146578	331000	477578	0.51	0.03
c)(ii) Clearing Members	24462	0	24462	0.03	1451	0	1451	0.00	-0.03
SUB TOTAL (B)(2):	19915750	4884805	24800555	26.36	22058955	2741600	24800555	26.36	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	19915750	4888805	24804555	26.37	22058955	2745600	24804555	26.37	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	89184125	4888805	94072930	100.00	91327330	2745600	94072930	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Tara Devi Surana	75505	0.079	0.00	75505	0.079	0.00	0.00
2	Narrindra Suranna	2000	0.0021	0.00	2000	0.0021	0.00	0.00
3	Dev Krishna Suranna	683850	0.727	0.00	683850	0.727	0.00	0.00
4	Surendra Kumar Surana	3505	0.0037	0.00	3505	0.0037	0.00	0.00
5	ShyambabaTrexim Pvt. Ltd.	15551680	16.5315	0.00	15551680	16.5315	0.00	0.00
6	Sri Ram Financial Consultants Pvt. Ltd.	44785170	47.6069	0.00	44785170	47.6069	0.00	0.00
7	Inbara Holdings Pvt. Ltd.	7250000	7.7068	0.00	7250000	7.7068	0.00	0.00
8	Krishna Commodeals Pvt. Ltd.	916665	0.9744	0.00	916665	0.9744	0.00	0.00

(iii) Change in Promoters' Shareholding

Sl. No.		Share holding at the beginning of the Year (As on 01.04.2016)		Cumulative Share holding during the year (As on 31.03.2017)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	69268375	73.63	69268375	73.63
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE DURING THE YEAR			
	At the end of the year	69268375	73.63	69268375	73.63

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the top ten shareholders	Share holding as on 01.04.2016		Transactions during the year		Shareholding as on 31st March, 2017	
		No. of Shares	% of total shares of the company	Purchase	Sale	No. of Shares	% of total shares of the company
1.	Almond Polytraders Private Limited	0	0	7750000	0	7750000	8.24
2.	Liable Textiles Private Limited	0	0	4465969	0	4465969	4.75
3.	Sree Polytraders Private Limited	0	0	1068170	0	1068170	1.14
4.	Dilip Kumar H Parmar	901937	0.95	0	25443	876494	0.93
5.	Meghdoot Arvind Thakkar	587166	0.62	82419	0	669585	0.71
6.	Kedar Dattatraya Borgaonkar	333640	0.35	275743	0	609383	0.65
7.	Dattatraya Shankar Borgaonkar	346603	0.37	0	0	346603	0.37
8.	Misrilall Mines Private Limited	250000	0.27	0	0	250000	0.27
9.	Satish Kumar	0	0	165350	0	165350	0.18
10.	Pushpaben Chandraprakash Jain	125000	0.13	0	0	125000	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Narrindra Suranna, Managing Director (Executive)	2000	0.0021	2000	0.0021
	Rajesh Kumar Kothari, Whole Time Director	0	0	0	0
	Pranab Ranjan Mukherjee, WTD (Technical)	0	0	0	0
	Nirmalendu Guha, NED & ID	0	0	0	0
	Ramakant Mishra, NED & ID	0	0	0	0
	Mamta Binani, NED & ID	0	0	0	0
	I.C.Dakalia, CFO	0	0	0	0
	A.B. Chakrabarty, Company Secretary	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE DURING THE YEAR			
	At the end of the year	2000	0.0021	2000	0.0021

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt. Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	33328.72	2960.05	0.00	36288.77
ii) Interest due but not paid	22.67	25.66	0.00	48.33
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	33351.39	2985.71	0.00	36337.10
Change in Indebtedness during the financial year				
• Addition	534903.87	1940.95	0.00	536844.82
• Reduction	522400.25	1856.49	0.00	524256.74
Net Change	12503.62	84.46	0.00	12588.08
Indebtedness at the end of the financial year				
i) Principal Amount	34777.34	3069.27	0.00	37846.61
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	34777.34	3069.27	0.00	37846.61

VI. 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 MD/WTD/Manager			Total Amount (Rs. In Lacs)
		Narrindra Suranna	Rajesh Kumar Kothari	Pranab Ranjan Mukherjee	
1.	Gross salary (a) Salary as per provisions contained 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 u/s 17(3) of the Income-tax Act, 1961	33.60	25.00	18.00	76.60
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	33.60	25.00	18.00	76.60
	Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act, 2013			

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In lacs)
		Nirmalendu Guha	Ramakant Mishra	Mamta Binani	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1.10	1.50	0.60	3.20
	Total (1)	1.10	1.50	0.60	3.20
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	1.10	1.50	0.60	3.20
	Total Managerial Remuneration (A+B)				79.80
	Overall Ceiling as per the Act	Within the ceiling mentioned in part –ii of schedule V of the Companies Act, 2013			

C. Remuneration of Key Managerial Personnel other than MD/Manager /WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. In Lacs)
		CFO	CS	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.30	11.56	25.86
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (C)	14.30	11.56	25.86

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata
Date: 30.05.2017

Annexure-‘6’

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017.

1. CONSERVATION OF ENERGY.**A) ENERGY CONSERVATION MEASURES TAKEN:**

In addition to the existing measures being practiced, the following steps were taken:-

- i. Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that uses less energy.
- ii. Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.
- iii. Adoption of policy of having our heating and cooling equipment serviced regularly.

B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

- i. Rationalization of Plants to save and optimize use of energy.
- ii. Means of conservation of energy currently being utilized in process plants is being studied.

C) IMPACT OF MEASURES AT (A) AND (B) ABOVE.

Energy usage has been controlled due to above mentioned efforts being undertaken by the company.

D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

The particulars are furnished in prescribed Form -A annexed hereto.

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in prescribed Form-B annexed hereto.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.**A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:**

Company is making serious efforts for marketing of its products in global markets. With India's growing importance as a low cost manufacturing base with good health, safety and environment practices, your company sees a great export potential in many of its products. Effective steps have been taken in this regards and the company is receiving good responses to its efforts.

B) TOTAL FOREIGN EXCHANGE USED AND EARNED

(₹ In Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	36090.34	41690.30
Total Foreign Exchange used	85500.04	49737.85

FORM – A**Disclosure of Particulars with respect to Conservation of Energy**

A.	Power and Fuel Consumption	Unit	FY 2016-17	FY 2015-16
1.	Electricity			
a)	Purchased			
	Unit	KWH	32460787.50	34546816
	Total amount	Rs.	163677622.5	181129739
	Rate / Unit	RS./KWH	5.04	5.24
b)	Own generation (through diesel generator)			
	Unit	KWH	54333.73	43024.00
	Total amount	Rs.	974604.00	788316.00
	Rate / Unit (Average)	RS./KWH	17.94	18.32
2.	Coal			
3.	Furnace Oil			
4.	Other/Internal Generation			
B.	Consumption per unit of Production of PVC, XLPE compounds & Master Batches & Agglomerates, Ink etc	Unit	FY 2016-17	FY 2015-16
	Net saleable production	MT	260071.49	193161.03
	Electricity	KWH / TON	125.02	179.07

FORM – B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.****RESEARCH AND DEVELOPMENT**

a) Specific areas in which R & D is carried out by your company.

- i) Horizontal and vertical expansion of Company's product profile.
- ii) New & Improved Product Development.
- iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.

b) Benefits derived as a result of R & D.

Efficiency and yield improvement, loss reduction and modernization programme.

- i) Import Substitution
- ii) Increased Market share for various products.
- iii) Better market penetration of various products.
- iv) Developments of various grades of PVC & XLPE compounds to meet changing market needs.

c) Future Plan of Action.

The R & D Centre has undertaken development of various grades of PVC Compound to meet the changing conditions.

d) Expenditure on R&D.

(₹ In Lacs)

Particulars	FY ended 31st March, 2017	FY ended 31st March, 2016
Capital	204.89	336.13
Recurring	13.83	16.86
Total R & D Expenditure	218.72	352.99

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.

- Efforts, in brief, made towards technology absorption, adoption and innovation as above.
- Benefits derived as a result of the above efforts: New Products are being developed for polymer mixing by up gradation and innovation as enumerated above.
- No import of technology was carried out during the last 5 years from the beginning of financial year.

For and on behalf of the Board of Directors

NarrindraSuranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL OVERVIEW:

Stagnant global trade, subdued investment, and heightened policy uncertainty marked another difficult year for the world economy. A moderate recovery is expected in 2017, with receding obstacles to activity in commodity-exporting, emerging markets and developing economies. Weak investment is weighing on medium-term prospects across many emerging markets and developing economies. Global growth in 2016 was estimated at 3.1% and is projected to rise to 3.5% in 2017. Although fiscal stimulus in major economies, if implemented, may boost global growth above expectations, risks to growth forecasts remain tilted to the downside. Important downside risks stem from heightened policy uncertainty in major economies.

Global economic growth is generally interlinked to petrochemical consumption where plastic is an important partner. Plastic processing is the pillar of economy in most of the advanced economies. Per capita consumption of the world is 28 kg whereas India's is 11 kg and China 38 kg and Brazil 32 kgs USA, Germany, UK, Italy, Spain, Australia, Japan, Korea, Taiwan it is more than 100 kg. This means India has big potential to grow as India's per capita consumption is one of the lowest in Asia.

INDIAN ECONOMY

According to The International Monetary Fund (IMF), the Indian economy grew at 7.1 per cent in 2016-17. Further, it is expected to accelerate to 7.2 per cent in 2017-18 and 7.7 per cent in 2018-19. Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitized economy in the long run, according to Ms Kristalina Georgieva, Chief Executive Officer, The World Bank. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of Purchasing Power Parity (PPP) by the year 2040, according to a report by Price Waterhouse Coopers. Also, the Prime Minister, Mr Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.

INDUSTRY OVERVIEW

The Indian cable industry is highly fragmented with a large number of producers. The market for cables and wires is mainly dominated by the unorganized sector controlling about 70% of the domestic demand for wires and cables. However, the situation is changing. With the slew of advertising and the publicity campaigns targeted at this segment, companies are getting more and more aware about the quality of products in this category too and making queries before deciding on the purchase of cables and wiring. The government has announced ambitious plans for infrastructure development including power which has significant demand for various types of cable.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The company's polymer compounds business is directly related to the fortunes of cable industry/packaging industry and footwear industry. If there is demand push in these segments of Indian economy, the top line and bottom line of Kkalpana will significantly increase.

The strong R&D facilities of Kkalpana, backed by competent R&D personnel, will help it to overcome many of the challenges, thereby increasing overall growth at a rate much higher to industry average. Kkalpana has been able to develop a number of products for domestic and international markets such as Medium Voltage XLPE, Medium Voltage Semi conducting grades and also grades suitable for Pipes.

Kkalpana has always focused in expanding its reach by servicing new areas as well as developing new products continuously. Regular and consistent exports, to almost 30 countries, of various products are testimony to our

capabilities. The combination of good product quality and superior after sales services has allowed your company to penetrate markets across the globe and help it to retain and expand customer base in the times of intensified competition.

COMPANY'S PERFORMANCE:

A. Financial Performance for 2016-17:-

- Gross turnover for the year is Rs. 1957Crore againstRs. 1876 Crore in 2015– 16.
- PBIDT for the year Rs.94.89Crore as against 109.25Crore in 2015-16.
- Profit before Tax for the yearRs. 37.37Crore against Rs.43.71Crore in 2015-16.
- Capital Structure of the Company as at 31st March, 2017 is Rs. 18.81 Cr comprising of 94072930 nos. of equity shares of Rs. 2/- each.

B. Product wise operational performance:-

Product wise, your company is engaged in manufacturing of the following products, the performance of which is discussed below-

PVC Compound and Master Batches

The turnover from PVC Compound & Master Batches is Rs.60518.16lacs as against Rs. 42758.46 lacs in the previous year.

PE Compounds

Turnover from PE compound is Rs. 104384.13 lacs in the year under review year as against Rs. 107136.20 lacs in the previous year.

Agglomerates, Reprocessed Granules & Scraps

Turnover from these items is Rs.48194.68 lacs as against Rs. 50650.46 lacs in the previous year.

FUTURE OUTLOOK

The Company continues to be the leading market player in manufacturing of polymer compounds. It has offered wide range of products to domestic and industrial users. In the years to come, the Company will come up with more new products to satisfy the diverse needs of the Customers. Kkalpana Industries (India) Limited is confident of accomplishing volume growth target and consequently the targeted market share in very near future. Your company, being the only domestic player for Medium Voltage cables,enjoys possibility of achieving higher volumes and margins. The marketing team is making incessant effort for increasing the presence in overseas market. Increased application of polymers and Performance polymers in the field of Consumer durable, Automobiles and also in Alternative & Renewable Energy sector,provides ample opportunity to Kkalpana to enhance its business.

OPPORTUNITY AND THREATS

The use of plastic made products has gained considerable response from the customers. In number of items of Retail and Industrial consumption, it is found that the use of Plastic made products has replaced many other products as the best substitute product. This increase, in the use of plastic Products, will open many new areas for the Industry in the years to come.

The Indian Plastic industry has been growing at a rate of 12% over the years and with its true potential harnessed, is all set to reach the 12.5 MMT of consumption.To match this figure, India would require 42000 new machines and around US \$ 10 billion of project investment by 2020. Packaging, Electronics, Telecommunication, Infrastructure, Transportation, Healthcare and Consumer durables are fast growing sectors of Indian economy, offering growth for plastics consumption.

Indian plastic industry is highly competitive. Moreover, the competition is increasing with the emergence of new global players and other domestic unorganized players. Increased competition might lead to price reductions, decreased sales, lower profit margins thus adversely affecting the business of your Company.

Despite growing competition which may cause downward pressure on prices and profit margins, the company has equipped itself to increase its top line and bottom line. The Company has its strong financials. Apart from the rise in competition globally, inconsistency in the input prices and other routine business risks, your Company doesn't envisage any major threats.

RISKS AND CONCERNS:

Risk is integral to virtually all business activities, though in varying degree and form. At Kkalpana, we have well defined risk management policy in place and the same is reviewed from time to time. The risk management policy is also monitored by executive management of the company. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same.

BUSINESS RISKS

Besides other risks and concerns, the major concern, of the Company's business is fluctuations in the prices of Raw Materials and entry of local and small manufacturers in the Industry. The business is always under margin pressure. However, the management is cautiously optimistic about the likely recovery in the global and domestic infrastructure industry. The Company's focus on cost reduction, which has yielded positive results, will be the critical factor in mitigating margin pressures.

TECHNOLOGY RISKS

Product obsolescence risks are inherent in the business and the management continues to accord high priority to in-house research and development in order to ensure new product development as per evolving needs in the industry, technical enhancements and quality improvements of existing product offerings.

FINANCIAL RISKS

Since the export turnover, for the year under review, for your company is Rs. 36090 Lacs, the foreign exchange rate fluctuations is one of the key financial risk areas, affecting the ultimate bottom line of your company. Moreover, any upward revision in interest rate, in future, will also impact the bottom line of the Company.

INTERNAL CONTROL SYSTEM.

The Company has a well established internal control framework covering all functional areas. It includes independent review of control system by internal auditors, review mechanism by Audit Committee and periodic review by the management.

Currently all the operations of the company are carried out in conformity with the defined process. The Company also has policy of periodic reviews of all business activities viz. purchase, stores, marketing, personnel, production, maintenance, finance and accounts, IT systems. The Audit Committee of the Board periodically reviews the terms of reference and the adequacy of internal control system, significant observations and their disposals and remedies if any. Further, the Company has implemented Enterprise Resource Plan (ERP) to consolidate all its operation as well as strengthen its Internal Control System.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company appreciates performance of the employees for the year and anticipates much more for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Human Resource policies are soundly drafted for all levels of employees to serve them motivation, transfer & promotions and to retain the skills. Over a period of time, your company has built and nurtured a dedicated and excellent workforce who consists of engineers, CAs, CSs, MBAs, and advance degree

holders like PhDs having a big business portfolio. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, estimates, and expectations and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, natural calamities and so on over which the company does not have any direct control.

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN: 00060127)

Chairman & Managing Director

Place: Kolkata

Date: 30.05.2017

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Since Large Corporations employ a vast quantum of societal resources, Kkalpana believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance helps to serve corporate purpose by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and continue focusing on its resources, strengths and strategies to achieve its vision of becoming a market leader in plastics industries, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Kkalpana Group.

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence & customer satisfaction and maximizing long term shareholder's value. In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholder's value and commitment to high standard of business ethics.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

Secretarial Audit:

The Company has appointed an independent practicing Company Secretary to conduct Secretarial audit. The audit reports for the financial year 2016-17 forms part of Directors Report.

Role of Company Secretary in overall Governance Process:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI) is one of the premiere professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings (SS1), General Meetings (SS2), Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings and Transfer / Transmission of Shares. The observance of Secretarial Standards SS1 and SS2 are mandatory with effect from 1st July, 2015. Rest are recommendatory in nature, the company adheres to the standards voluntarily.

2. BOARD OF DIRECTORS:

The Board of Kkalpana has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and a women Director and is in conformity with Regulation – 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Board and Category of Directors is as follows:

- As on 31st March, 2017, the Board comprises Chairman & Managing Director, two Whole Time Directors and three non executive independent directors including one Women Director. The Chairman is an Executive Director.
- None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies have been made by the Directors.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last (AGM), as also the number of Directorship and Committee positions held by them in other Companies are given herein below:

Name	Designation	Category	Attendance Particulars		Outside Directorships & Committee Position (excluding Kkalpana Industries (India) Limited)		
			Board Meeting	Last AGM	Other Director ships**	Committee Memberships#	Committee Chairmanships#
Narrindra Suranna	Chairman & Managing Director	Executive & Promoter	6	Yes	-	-	-
R.K. Kothari	Whole Time Director	Executive	2	Yes	-	-	-
Dr. P.R. Mukherjee	Whole Time Director (Technical)	Executive	6	Yes	-	-	-
Nirmalendu Guha	Director	Non Executive & Independent	6	Yes	Damodar Ropeways & Infra Limited.		1
Ramakant Mishra	Director	Non Executive & Independent	6	No	Kkalpana Plastick Limited	-	1
Mamta Binani	Director	Non Executive & Independent	5	Yes	1. GPT Infraprojects Limited 2. Century Plyboards (India) Limited 3. Emami Cements Limited 4. Magma Housing Finance 5. Skipper Limited	3	1

** Directorship includes only Public Companies.

Committees includes Audit Committee and Stakeholders Relationship Committee across all companies.

Details of the Directors Seeking appointment / re- appointment at the Annual General Meeting, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 have been given along with the Notice of Annual General Meeting.

As required under the Accounting Standard 18 transaction with related parties are furnished under note 36 of notes on financial statement. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

Shareholdings of directors as on 31.03.2017 are as under:

Name of the Director	No. of Ordinary Shares held	% of Paid – up Capital
Narrindra Suranna	2000	0.002%
R. K. Kothari	-	-
Nirmalendu Guha	-	-
Dr. P. R. Mukherjee	-	-
Ramakant Mishra	-	-
Mamta Binani	-	-

3. BOARD AGENDA

Scheduling and Selection

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/ Committee Meetings.

Information given to the Board

The dates for the Board Meetings for the ensuing year are decided well in advance and communicated to the Directors. Additional meetings of the Board are held when deemed necessary. Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgencies, few resolutions are passed by way of circulation and if required same is supported by an audio call to explain the rationale. The Board periodically reviews compliance reports with respect to laws and regulations applicable to the Company. The recommendations of the Committees are placed before the Board for necessary approvals. The information as enumerated in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') http://www.sebi.gov.in/cms/sebi_data/attachdocs/1441284401427.pdf is made available to the Board of Directors for discussions and considerations.

Post Meeting follow up System

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

4. DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

The Meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2016-2017, 6(Six) meetings of the Board were held and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

Sl. No	Date	Sl.No	Date
1	30.05.2016	4	08.02.2017
2	06.08.2016	5	09.03.2017
3	14.11.2016	6	27.03.2017

Board Independence

Based on the confirmation/ disclosures received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the Independent Directors and the

Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company. None of the Directors are related to each other.

A separate meeting of the Independent Directors was held on 27th March, 2017 to discuss inter alia:

1. The performance of the Chairperson of the Company, taking into account the views of Executive and Non-executive Directors;
2. The performance of the Non-Independent Directors and the Board as a whole;
3. The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Familiarization and Induction Programme

The Company has adopted a well-structured induction policy for orientation and training of the Non-Executive Directors to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates. The induction programme includes one-to-one interactive sessions with the Executive Directors, Senior Management including the Business CEOs and also includes visit to Company and plant sites and locations. The details of familiarization programmes imparted to independent director is available under the head policy at www.kkalpanagroup.com/investor-relations.php

Code of Business Conduct and Ethics

The Company has laid down a Code of Conduct (COC) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company www.kkalpanagroup.com. The Code has been circulated to all members of the Board and Senior Management and they have affirmed compliance with the Code. A declaration signed by the Managing Director (CEO) to this effect is attached to this Report.

Certification

The certificate required under Regulation 17(8) of the SEBI Listing Regulations duly signed by the Managing Director (Chief Executive Officer) and Chief Financial Officer was placed before the Board and the same is provided in this report.

5. BOARD COMMITTEES:

The Board has constituted Committee(s) of directors, with adequate delegation of powers. The Company Secretary of the Company acts as the Secretary to the Committees. The Board is responsible for constituting, assigning and co-opting the members of the Committees. Each Committee has its own charter which sets forth the purposes, goals and responsibilities of the Committees. These Committees comprise mainly of Independent Directors who as per the terms of reference oversee the Committee's function and executes its duties and responsibilities.

Presently, there are Five Board Committees– the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Corporate Social Responsibility Committee. The Board periodically reviews the minutes of the meetings of above mentioned Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed below:-

5.1 AUDIT COMMITTEE:

As on March 31, 2017, the Audit Committee of the Board comprises of two (2) Non-Executive Directors and one (1) executive Director. The Chairperson of the Audit Committee is a Non-Executive Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as "SEBI Listing Regulations" or "Listing Agreement")

The CEO, CFO, Statutory Auditors and Internal Auditors regularly attend the meeting of the Audit Committee as permanent invitees. Other invitees are invited on need basis to brief the Audit Committee on important matters.

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Approval of annual internal audit plan;
2. Review and approval of related party transactions;
3. Review of financial reporting systems;
4. Ensuring compliance with regulatory guidelines;
5. Reviewing the quarterly, half yearly and annual financial results;
6. Discussing the annual financial statements and auditors report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) changes, if any, in accounting policies (iii) major accounting entries; (iv) significant adjustments in financial statements arising out of audit findings; (v) compliance with listing requirements; (vi) disclosure of related party transactions, if any; (vii) modified opinion, if any, in audit report etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment, remuneration and terms of appointment of auditors; and
9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

All the Members of the Committee have good knowledge of finance, accounts and company law within the meaning of Regulation 18 of SEBI Listing Regulations. During the year under review, the committee met four (4) times on 30.05.2016, 06.08.2016, 14.11.2016 and 08.02.2017. The Composition of the Committee and the attendance at each Committee Meetings are as follows:-

Name of Director	Category	Attendance of Directors			
		30.05.2016	06.08.2016	14.11.2016	08.02.2017
Ramakant Mishra – Chairman	Non Executive Independent	Yes	Yes	Yes	Yes
Nirmalendu Guha – Member	Non Executive Independent	Yes	Yes	Yes	Yes
R. K. Kothari – Member	Executive, Whole Time Director	No	Yes	No	No

Power of Audit Committee

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

5.2 NOMINATION AND REMUNERATION COMMITTEE :

The composition of the Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. The role of Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. To consider and evaluate whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

The Nomination & Remuneration Committee comprises of Three (3) members all of whom are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director.

During FY 2016-17, the Nomination and Remuneration Committee met one (1) time i.e. on 14th March, 2017.

The composition and attendance of members at the meetings held during FY 2016-17, are given below

Composition and Attendance:

Sl. No	Name of Director	Composition	Meeting(s) attended
1	Nirmalendu Guha	Chairman	1
2	Ramakant Mishra	Member	1
3	Mamta Binani	Member	1

Performance Evaluation Criteria

The Company believes in conducting its business affairs in a fair and transparent manner; giving highest regard to good Corporate Governance practices and ensuring transparency, accountability and equity across all facets of operation and in all interactions with Stakeholders.

The Nomination and Remuneration Committee had laid down the evaluation criteria for performance evaluation of every director including Independent director and the Board pursuant to the Corporate Governance norms prescribed by the Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy:

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors, key managerial personnel and other employees. The recommendation is then approved by the Board and Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as individual Professionals/ Business Executives. Since Independent Non-Executive Directors receive only sitting fees for attending Board and Committee Meetings, therefore, no criteria for making payments, other than sitting fees, is determined.

The Non-Executive Directors of the Company have a crucial role to play in the independent functioning of the Board. They bring in an external and wider perspective to the deliberations and decision-making by the Board. The Independent Directors devote their valuable time to discussions in the course of the Board and Committee meetings of the Company. They also help to ensure good corporate governance norms.

The responsibilities and obligations imposed on the Non- Executive Directors have recently increased manifold owing to new legislative initiatives. Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non- Executive Directors.

The remuneration of the Non- Executive Directors (NEDs) of the Company is decided by the Board of Directors. The Non- Executive Directors of the Company are being paid sitting fees of Rs. 10000 /- for attending each meeting of Board and Committees of Directors. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission.

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, perquisites and allowances, based on the recommendation of the Committee, approval of the Board and shareholders. The Board, on the recommendation of the Nomination and Remuneration Committee, approves the annual increments (effective from 1st April each year).

Details of Remuneration Paid to Executive & Non- Executive Directors:

(Amount in ₹)

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Narrindra Suranna	Chairman & Managing Director	Nil	33,60,000	Nil	33,60,000
R.K. Kothari	Whole Time Director	Nil	25,00,000	Nil	25,00,000
Dr. P.R. Mukherjee	Whole Time Director	Nil	18,00,000	Nil	18,00,000
Nirmalendu Guha	Non Executive Independent Director	1,10,000	Nil	Nil	1,10,000
Ramakant Mishra	Non Executive Independent Director	1,50,000	Nil	Nil	1,50,000
Mamta Binani	Non Executive Independent Director	60,000	Nil	Nil	60,000

5.3. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations.

The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are as under:

- Redressal of Shareholders'/Investors' complaints;
- Non-receipt of declared dividends, annual reports of the Company; and
- Carrying out any other function as prescribed under in the SEBI Listing Regulations.

Composition

Shri Ramakant Mishra – Non Executive Independent Director–Chairman

Shri R.K. Kothari – Executive Director - Member

Dr.P.R.Mukherjee – Executive Director - Member

The Committee meets 4 times in the year 2016-17.

Sl.No	Name	Meeting held during the year	Meeting attended
1	Shri Ramakant Mishra	4	4
2	Shri R.K. Kothari	4	2
3	Dr. P. R. Mukherjee	4	4

5.4. SHARE TRANSFER COMMITTEE :

In addition to the Stakeholders' Relationship Committee, the Board has constituted another committee referred as the Share Transfer Committee comprising of members from the Board and senior management to approve the transfer of equity shares of the Company. The members of the Share Transfer Committee are Mr. R.K.Kothari, Whole Time Director, Dr. P.R.Mukherjee, Whole Time Director and Mr. Ramakant Mishra, Director and Mr. A.B.Chakrabarty, Company Secretary & Compliance Officer. There were 10 meetings held during the year ended March 31, 2017.

The number of pending share transfers as on March 31, 2017 is Nil.

To expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the Share Transfer Agents and its officials to redress all complaints / grievances / inquiries of the shareholders' / Investors'. It redresses the grievances / complaints of shareholders' / investors' under the supervision of the Company Secretary and Compliance Officer of the Company.

During the year ended 31st March, 2017, No investor's complaints were received or resolved.

5.5 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The prime responsibility of the Corporate Social Responsibility Committee is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

Terms of Reference

Terms of reference of the Corporate Social Responsibility Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy and any amendments thereof, indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities as per CSR Policy;
3. To monitor the CSR Policy of the Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company;
5. Any other matter/ thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Composition

The Corporate Social Responsibility Committee comprises the following four members:

Dr. P.R. Mukherjee – Chairman

Shri Narrindra Suranna – Member

Shri R.K. Kothari – Member

Shri Nirmalendu Guha - Member

The Committee meets 2 times i.e. on 09.09.2016 and 31.03.2017 during the year 2016-17, wherein all its members were present.

The Corporate Social Responsibility Committee's composition meets the requirements of Section 135 of the Companies Act, 2013.

6. DETAILS OF GENERAL MEETING :**6.1 Annual General Meeting :**

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Resolution passed, if any.
2015-2016	29th September, 2016	12.15 P.M	GyanManch, 11 Pretoria Street, Kolkata – 700 071	Ratification of Remuneration payable to Cost Auditor; Determination of fees to be charged for service of documents to members through any particular mode; Re-appointment of Mr. Rajesh Kothari as Whole Time Director.
2014-2015	30th September, 2015	10.00 A.M	GyanManch, 11 Pretoria Street, Kolkata – 700 071	Special Resolution for Appointment of Whole Time Director and Amendment in Memorandum and Articles of Association of the Company.
2013-2014	26th September, 2014	04.00 P.M	GyanManch, 11 Pretoria Street, Kolkata – 700 071	Special Resolution under section 180(1)(a) and (c)

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

6.2 Extraordinary / other General Meeting: No extraordinary General Meeting of the Shareholders was held during the year.

6.3 Postal Ballot: During the year under review three Special Resolutions under section 12, 13(4), 62(3) and 180(1)(a) of the Companies Act, 2013 were passed through Postal Ballot, the notice of which was dispatched on 24.03.2017. Mr. Ashok Daga (Membership No. FCS 2699, COP No. 2948) Practicing Company Secretary was appointed as the Scrutinizer for Postal Ballot, based on whose report submission, Mr. Narrindra Suranna (DIN: 00060127), Chairman and Managing Director of the Company declared the results, as summarized below, on 26th April, 2017.

Details of Voting Pattern:

Resolution No.1	Recalling of Special Resolution under Section 12 and 13(4) of the Companies Act, 2013, passed by members through postal ballot voting, the result whereof was declared on 23.12.2015, in connection with shifting of registered office of the company from state of West Bengal to the Union Territory of Dadra & Nagar Haveli					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75195046	553	99.9992	0.0007
Resolution No. 2	Recalling of Special Resolution under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, passed by members through postal ballot voting, the result whereof was declared on 23.12.2015, in connection with sell/transfer of unit situated at Falta (SEZ), 24 Paraganas (S), West Bengal.					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75192048	3551	99.9952	0.0472

Resolution No. 3	Special Resolution under Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and, if any, of Companies Act, 1956 and in accordance with Memorandum and Articles of Association of the Company and other applicable regulations, if any, for conversion of loan into equity, incase of default in repayment of loan					
Votes Cast	No. of votes polled	% of votes polled on outstanding shares	Votes in Favour	Votes Against	% of votes polled in favour	% of votes polled against
	75195599	79.93	75195573	26	99.9999	0.0003

6.4 **Pledge of Shares**

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders during the Financial Year ended 31st March, 2017.

6.5 **Review of legal compliance reports**

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review the compliance status and report to the Audit Committee.

7. **DISCLOSURES :**

7.1 **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large**

There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

However, attention of the members is drawn to the disclosure of transactions with the related parties and transactions as required under Accounting Standard (AS) 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India, set out in Notes to financial statement no.36 , forming part of the Annual Report.

The policy on dealing with related party transactions is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

The policy for determining 'material' subsidiaries is available under the head policy in <https://www.kkalpanagroup.com/investor-relations.php>.

7.2 **Details of Non compliance**

The company has complied with the requirements of the stock exchanges, SEBI and other authorities on all matters relating to capital market during last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authorities relating to the above.

7.3 **Disclosure of Risk Management**

The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by Senior Executives.

7.4 **Proceeds from Issues, if any** : Not Applicable.

7.5 **Whistle Blower Policy / Vigil Mechanism**

The Audit Committee of the Company have formulated certain procedures to govern the receipt, retention, and treatment of complaints regarding the Company's accounting, internal accounting controls or auditing matters, and to protect the confidential, anonymous reporting of director(s) or employee(s) or any other person regarding questionable accounting or auditing matters.

During the year, the concerns reported under this mechanism have been scrutinized and appropriate actions undertaken. It is also affirmed that no personnel has been denied access to the Audit Committee.

7.6 **Discretionary Requirements**

Disclosure details of some of the Discretionary Requirements, as per Part E of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as below:

The Board

The Board of the Company is chaired by an Executive Director who maintains the Chairman's office at the Company's expense.

Modified opinion(s) in audit report

There was no qualification by the auditors on the financial statements of the Company.

Separate posts of Chairperson and Chief Executive Officer

The office of Chairman and Chief Executive officer of the Company are held by same individual.

Reporting of internal auditor

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion.

The Company has made all disclosures regarding compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

7.7. Other Disclosures

Brief profile and other information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking appointment / re appointment at the AGM, is given elsewhere in the Annual Report.

Management Discussion and Analysis Report are given separately and forms part of Annual Report.

7.8 CEO and CFO Certification

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO / CFO certification for the financial year ended 31st March, 2017. The same is reproduced below;

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To,
The Board of Directors,
Kkalpana Industries (India) Ltd,
2B, Pretoria Street,
Kolkata – 700 071

Sub: CEO & CFO Certificate

[Issue in accordance with provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Shri Narrindra Suranna, Managing Director and Shri I.C. Dakalia, CFO heading the finance function have certified to the Board that :

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee

- (1) significant changes in internal control over financial reporting during the year;
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 30.05.2017

Place: Kolkata

I.C. Dakalia
Chief Financial Officer

Narrindra Suranna (DIN:00060127)
Chairman & Managing Director

8. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for Senior Management and Directors. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website(<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company appointed in terms of the Companies Act, 2013 (i.e the CEO within the meaning of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) is annexed separately to this report.

9. MEANS OF COMMUNICATION :

Financial Results

In compliance with the requirements of SEBI Listing Regulations, the Company has intimated the financial results to the stock exchanges immediately after they are taken on record by the Board. Further coverage has been given for the benefit of the shareholders and investors by publication of the financial results in the leading national dailies like Economic Times / Financial Express / Business Standard etc., and a local vernacular newspaper circulated in the state of West Bengal. Up-to-date financial results, annual reports, shareholding patterns and other general information about the Company are available on the Company's website <http://www.Kkalpanagroup.com>.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre and readily available on their website www.bseindia.com.

SEBI Online Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status

10. CODE OF INSIDER TRADING:

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Further the Trading Window has been closed for the Directors and Employees of the Company as per Insider Trading Code in force in the Company. The code of conduct for insider trading is available on the Company's website (<http://kkalpanagroup.com/investor-relations.php>) under the head Code of Conduct.

11. GENERAL SHAREHOLDERS INFORMATION :

(i) Annual General Meeting (AGM)

Day, Date & Time : Saturday, the 23rd September, 2017 at 10:00 A.M.
 Venue : Gyan Manch, 11- Pretoria Street, Kolkata – 700 071

(ii) Date of Book Closure : Saturday, 16th September, 2017 to Saturday, 23rd September, 2017 (both days inclusive)

(iii) Dividend (for FY 2016-17) payment date: N.A. since dividend not declared.

(iv) Financial Calendar for Year 2017-2018 (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30th June, 2017	} Within 45 days of the end of the quarter.
For the quarter & half year ending	30th September, 2017	
For the quarter & nine months ending	31st December, 2017	
For the quarter & year ending	31st March, 2018 (Audited)	} Within 60 days of the end of the Quarter/Year.

(v) Listing on Stock Exchanges: The Share of the Company is listed in the following Exchanges.

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Ltd. (CSE)	10029050

The Company has paid the annual listing fees for the financial year 2017-18 to all the exchanges and has paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2017-18. The Company is in the process of delisting its shares from The Calcutta Stock Exchange Limited.

(vi) Dematerialisation of Shares and Liquidity:

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN No. for the Equity Shares of the Company is INE301C01028. As on 31st March, 2017, 91327330 shares representing 97.08% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the request of shares held in demat form, all the requests for nomination, change of address, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(vii) Registrar & Transfer Agent:

All communications related to share matters of the Company should be made to M/s. C B Management Services (P) Limited. Address of which is given below:

M/s. C B Management Services (P) Limited
 P-22- Bondel Road, Kolkata – 700 019
 Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700
 Fax: 033 2287 0263
 E mail: rta@cbmsl.com

(viii) Share Transfer System:

The Board has authorised Registrar and Share Transfer Agents for processing of share transfers, which are approved by the Company's Share Transfer Committee.

This Committee meets as and when required for approving the share transfers except those rejected on technical grounds.

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificate has been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company.

The Company has appointed M/s. CB Management Services (P) Limited as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/CIR15/2002 dated 27th December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

(ix) Investor Grievance Redressal System.

The investor grievances against the company are handled by the Company's Registrar and Transfer Agents (RTA), in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy redressal of investor's grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of complaint for disposal of investor grievances.

No Investor's complaint / queries were received during the year under review or were required to be resolved.

(x) Unpaid / Unclaimed Dividend.

Pursuant to section 124 of the Companies Act, 2013, unpaid or unclaimed dividend upto the financial year 2008-09 have been transferred to the General Revenue Account of the Central Government.

The unpaid / unclaimed dividend for the financial year ended 31st March, 2010 and thereafter, which remains unpaid / unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members, who have not yet encashed their dividend warrants for the financial year 31st March, 2010 or any subsequent financial years, are requested to lodge their claims without any delay. It is important to note that once the unclaimed dividend is transferred to the aforesaid, no claim shall lie in respect of thereof on the company. Then the shareholders have to claim dividend from the Central Government.

Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 29.09.2016), with the Ministry of Corporate Affairs.

(xi) Market Price Data :

The shares of the company are currently traded at BSE. The Stock Market data from 1st April, 2016 to 31st March, 2017 are given below :

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex Highest	Sensex Lowest
April 16	28.75	24.40	26,100.54	24,523.20
May 16	32.50	23.65	26,837.20	25,057.93
June 16	32.00	24.45	27,105.41	25,911.33
July 16	34.45	29.10	28,240.20	27,034.14
August 16	41.60	31.00	28,532.25	27,627.97
September 16	39.85	32.50	29,077.28	27,716.78
October 16	40.00	35.40	28,477.65	27,488.30
November 16	39.00	31.00	28,029.80	25,717.93
December 16	36.00	27.00	26,803.76	25,753.74
January 17	37.90	31.10	27,980.39	26,447.06
February 17	37.60	31.55	29,065.31	27,590.10
March 17	36.40	30.25	29,824.62	28,716.21

(xii) Distribution Schedule as on 31.03.2017

Range of Shares	No of Share Holders	% of Total Share Holders	No of Shares	% of Total Share Holdings
1 to 500	5782	77.40	2333215	2.48
501 to 1000	804	10.76	753764	0.81
1001 to 2000	345	4.62	549741	0.58
2001 to 3000	178	2.38	462348	0.49
3001 to 4000	66	0.88	239726	0.26
4001 to 5000	70	0.94	336052	0.36
5001 to 10000	91	1.22	665099	0.70
10001 to Above	132	1.80	88732985	94.32
TOTAL	7468	100.00	94072930	100.00

(xiii) Share Holding Pattern as on 31.03.2017

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	764860	0.81
ii) Bodies Corporate	68503515	72.82
Total Promoter's Holdings	69268375	73.63
Non Promoter's Holding		
Mutual Funds / UTI	4000	0.00
Financial Institutions / Banks	0.00	0.00
Private Body Corporate	14231838	15.13
Indian Public	10089688	10.73
Non-Resident Indian	477578	0.51
Clearing Members	1451	0.00
Total Non Promoters Holdings	24804555	26.37
Total	94072930	100%

(xiv) Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity :

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments to be converted into equity shares.

(xv) Corporate Identification Number (CIN)

The Company is registered with the Registrar of Companies, Kolkata, West Bengal. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L19202WB1985PLC039431.

(xvi) Reconciliation of Share Capital Audit

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The

Report on Reconciliation of Share Capital confirms that the total issued/paid up capital is in agreement with the total number of shares.

(xvii) Green Initiative In Corporate Governance

One of the most important components of Corporate Governance is to communicate with the shareholders through effective means. Being a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India. The Company, sends Annual Reports, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by email to those shareholders whose email ids are registered with the Company. Physical copies of the documents are sent to those shareholders whose email ids are not registered and to those who have requested the same to be sent in physical copies.

Your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/ updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, CB Management Services Private Limited for the purpose of receiving soft copies of various communications including the Annual Report.

(xviii) Share Capital History of the Company:

Security Description	Date of Allotment	No. of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Subscribers to the Memorandum	03.09.1985	200	10	-	1-200	INE301C01028
Further Allotment to promoters and others	24.03.1987	200	10	-	201-400	INE301C01028
Further Allotment to promoters and others	11.11.1987	500	10	-	401-900	INE301C01028
Further Allotment to promoters and others	29.03.1988	399100	10	-	901-4,00,000	INE301C01028
Public Issue	27.10.1988	600000	10	-	4,00,001-10,00,000	INE301C01028
Public Issue	03.12.1993	4144000	10	5	10,00,001-51,44,000	INE301C01028
Right Issue	28.12.1993	2456000	10	5	51,44,001-76,00,000	INE301C01028
Amalgamation	27.06.2006	3953600	10	-	76,00,001-1,15,53,600	INE301C01028
Conversion of Warrants	12.08.2010	3000000	10	70	1,15,53,601-1,45,53,600	INE301C01028
Conversion of Warrants	17.09.2010	3000000	10	70	1,45,53,601-1,75,53,600	INE301C01028
Amalgamation	22.09.2010	9,40,986	10	-	1,75,53,601- 1,84,94,586	INE301C01028
Amalgamation	29.09.2011	3,20,000	10	-	1,84,94,587-1,88,14,586*	INE301C01028

* The face value of shares has been reduced from Rs.10/- to Rs. 2/- in the year 2015. Hence, Number of equity Shares at present is 94072930.

(xix) Plant Locations :

1. Kolkata Works - Village - Bhasa, No.14,P.O.& P.S. Bishnupur, Diamond Harbour Road, South 24 Parganas, W.B.- 743503, India.
2. Daman Works - 168/151-158, Dhabel Industrial Co- Operative Soceity Ltd, Dhabel, Daman - 396210, India
3. Dadra I & II Works - Survey No.24/3, Village - Demini, Demini Road, Dadra, Dadra & Nagar Haveli - 396193, India.
4. Surangi Works - Survey No. 320/1/1/2/2, Vill - Surangi, Chikhali Road, Silvassa - 396 240 (Dadra & Nagar Haveli)
5. Falta Works - Falta Special Economic Zone, Plot No- 29, Sector - I, Village - Simulberia, Mouza - Bisra, Dist.- South 24 PGS.

(xx) Address for correspondence :

The shareholders may contact the Company / RTA on the following addresses :

General Correspondence :

1. Kkalpana Industries (India) Limited

Secretarial Department,
2B, Pretoria Street,
Kolkata – 700 071
Phone : 033 2282 3744 /45
Fax : 033 2282 3739
E mail : kolkata@Kkalpana.co.in

Correspondence related to shares / queries/requests :

2. M/s. C B Management Services (P) Limited

P-22- Bondel Road, Kolkata – 700 019
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700
Fax: 033 2287 0263
E mail: rta@cbmsl.com

Declaration regarding Affirmation of Code of Conduct

I hereby declare that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchanges, for the year ended 31st March, 2017.

For Kkalpana Industries (India) Limited

Place: Kolkata
Date: 30.05.2017

Narrindra Suranna (DIN:00060127)
Chairman & Managing Director

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kkalpana Industries (India) Limited.

We have examined the compliance of conditions of Corporate Governance by Kkalpana Industries (India) Limited for the year ended 31st March, 2017 as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Kolkata
Dated : 30.05.2017

For B.Mukherjee & Co
Chartered Accountants

(B.Mukherjee)
Partner
Membership No.002941

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true

and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

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;

in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would impact its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management.

For and on behalf of

B. MUKHERJEE & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

B. MUKHERJEE

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- (2) The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- (4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company has been maintained.
- (7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- (11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302096E
B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 30th May, 2017

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Kkalpana Industries (India) Ltd.

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 Kkalpana Industries (India) Ltd (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 authorizations 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

B. MUKHERJEE & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

B. MUKHERJEE

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lacs)

	Note	As at March 31st, 2017		As at March 31st, 2016	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	<u>25,283.31</u>	<u>27,164.77</u>	<u>22,447.25</u>	24,328.71
Non-current liabilities					
Long-term borrowings	4	<u>8,193.59</u>		7,131.95	
Deferred tax liabilities (Net)	5	<u>2,410.06</u>		2,073.37	
Long-term provisions	6	<u>54.41</u>	<u>10,658.06</u>	<u>42.41</u>	9,247.73
Current liabilities					
Short-term borrowings	7	<u>26,583.76</u>		26,205.00	
Trade payables	8	<u>14,727.76</u>		13,394.16	
Other current liabilities	9	<u>3,270.31</u>		3,978.38	
Short-term provisions	10	<u>826.41</u>	<u>45,408.24</u>	<u>732.57</u>	44,310.11
TOTAL			<u>83,231.07</u>		<u>77,886.55</u>
ASSETS					
Non-current assets					
Fixed assets					
	11				
Tangible assets		<u>22,393.08</u>		20,577.53	
Intangible assets		<u>20.69</u>		25.01	
Capital work-in-progress		<u>1,401.00</u>	<u>23,814.77</u>	<u>373.31</u>	20,975.85
Non-current investments	12	<u>289.60</u>		260.92	
Long-term loans and advances	13	<u>135.58</u>	<u>425.18</u>	<u>119.21</u>	380.13
Current assets					
Inventories	14	<u>17,356.32</u>		10,007.87	
Trade receivables	15	<u>34,970.71</u>		37,382.77	
Cash and Bank Balances	16	<u>2,227.36</u>		2,777.69	
Short-term loans and advances	17	<u>4,424.66</u>		6,328.02	
Other current assets	18	<u>12.07</u>	<u>58,991.12</u>	<u>34.23</u>	56,530.57
TOTAL			<u>83,231.07</u>		<u>77,886.55</u>

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.

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

For **B. Mukherjee & Co.****Chartered Accountants**

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

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

(₹ in Lacs)

	Note	Year Ended March 31st, 2017	Year Ended March 31st, 2016
INCOME			
Revenue from operations	19	213,096.96	200,545.11
Less: Excise duty		18,699.98	14,774.16
Revenue from operations (net)		194,396.98	185,770.95
Other Income	20	1,329.52	1,886.93
Total Revenue		195,726.50	187,657.88
EXPENSES			
Cost of materials consumed	21	172,555.15	161,410.37
Changes in inventories of finished goods	22	497.09	4,198.38
Employee benefits expense	23	2,216.36	1,942.51
Finance costs	24	4,438.73	5,104.62
Depreciation and amortization expense		1,313.95	1,463.40
Less: Depreciation on amount added on revaluation		0.19 1,313.76	14.48 1,448.92
Other expenses	25	10,968.27	9,181.42
Total expenses		191,989.36	183,286.23
Profit before exceptional and extraordinary items and tax		3,737.14	4,371.65
Exceptional & extraordinary items		-	2,668.98
Loss On Impairment of Assets			
Loss On Assets Destroyed by Fire		-	-
Profit before tax		3,737.14	1,702.67
Tax expense:			
Current Tax Expenses		826.41	387.07
Deferred Tax		336.69 1,163.10	176.25 563.32
Profit for the year		2,574.04	1,139.35
Earnings per equity share: (Refer note no.28)		₹	₹
Basic		2.74	1.21
Diluted		2.74	1.21

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.

This is the Statement of Profit & Loss referred to in our report of even date.

For **B. Mukherjee & Co.****Chartered Accountants**

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lacs)

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items	3,737.14	4,371.65
Add: Depreciation	1,313.95	1,463.40
Profit on sale of Fixed Assets	(114.24)	(487.68)
Finance Costs	4,438.73	5,104.62
	<u>9,375.58</u>	<u>10,451.99</u>
Less: Interest Income	163.54	-
Revaluation Reserve	111.22	14.48
Effect of Transitional Provison		
Amount transferred to General Reserve	(111.02)	-
Change in Foreign Currency Translation Difference	(262.21)	(3.88)
	<u>(98.48)</u>	<u>10.60</u>
Operating Profit before Working Capital Changes	<u>9,474.05</u>	<u>10,441.38</u>
Adjustment for:		
Trade and Other Receivables	4,337.58	(950.80)
Long Term Loans & Advances	(16.37)	234.55
Inventories	(7,348.45)	2,931.66
Trade payables and other liabilities	637.53	(945.73)
	<u>(2,389.71)</u>	<u>1,269.69</u>
Cash Generated before Extra Ordinary Items	<u>7,084.34</u>	<u>11,711.07</u>
Extra Ordinary Items	-	2,668.98
Cash Generated from Operations	<u>7,084.34</u>	<u>9,042.09</u>
Direct Tax paid (net of refunds)	<u>732.57</u>	<u>309.13</u>
Net Cash Generated from Operating Activities (A)	<u>6,351.77</u>	<u>8,732.96</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible assets	(4,236.38)	(4,211.94)
Sale of fixed assets	197.75	3,704.04
Purchase of Investments	-	(7.32)
Interest Received	163.54	77.75
Net Cash Generated from Investing Activities (B)	<u>(3,875.09)</u>	<u>(437.47)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,061.64	(4,004.45)
Non Current Investmetns	(28.68)	
Short Term Borrowings (net)	378.75	(63.12)
Interest Paid	(4,438.73)	(5,104.62)
Net Cash Generated from Financing Activities (C)	<u>(3,027.02)</u>	<u>(9,172.19)</u>

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(550.34)	(876.70)
Cash and Cash equivalents at the beginning of the year	2,777.69	3,654.39
Cash and Cash equivalents at the end of the year	2,227.36	2,777.69

NOTES:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India
- 2 Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- 3 Cash and cash equivalents comprise of:

Cash on Hand	37.10	112.19
Balances with scheduled banks:		
- In Current Accounts	477.18	541.26
- In EEFC Accounts	81.38	250.74
- In Margin & Guarantee Deposit Accounts*	1,597.88	1,831.58
- In Unpaid Dividend Account*	33.82	41.92
	<u>2,227.36</u>	<u>2,777.69</u>

* Balances not available for use by the Company

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Notes to the Financial Statements for the year ended 31st March, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and clause 6 of the General Instructions given in Schedule III to the Act, the terms used in these financial statements are in accordance with the Accounting Standards as referred to herein.

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

ii) Use of Estimates

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management 's best knowledge of current events and actions, actual result may differ from these estimates.

iii) Tangible Fixed Assets

"Fixed Assets including capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised."

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

The Assets which are intended for sale and to be realised within one year are treated as Current Assets.

iv) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

v) Depreciation and Amortisation

"Depreciation includes amortisation. Depreciation on Tangible Fixed Assets has been provided as prescribed under Schedule II of the Companies Act, 2013 on prorata basis with reference to the date of addition.

Notes to the Financial Statements for the year ended 31st March, 2017

Given below the number of years which has been considered for providing depreciation.”

Particulars	Years
Factory Building	30
Plant & Machinery	25
Electrical Installation	10
Lab Equipments	10
Furniture & Fixture	10
Motor Car	8
Air Conditioner	15
Scooter, Moped & Cycle	10
Office Equipment	5
Computer	3

Useful life of the Plant and Machinery has been considered 25 years as against 15 years as prescribed in schedule II of the Companies Act, 2013 which is based on the prevailing practices of comparable industries and our past experience for the last 29 years.

Technical Know How and Computer Software is ammortized over a period of 10 years.

vi) Impairment of Tangible and Intangible Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

vii) Revenue Recognition

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract , and includes raw material sales & remission of Central Sales Tax and Vat Amount. Jobs charges is recognised as per terms of contract. Sales includes amounts recovered towards excise duty. Revenue from sale of scrap is recognised as and when scrap is sold.

Other income and expenditure are recognised and accounted on accrual basis except Export incentives which are recognised as and when received.

viii) Foreign currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

All items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

ix) Financial Derivatives Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements.

Notes to the Financial Statements for the year ended 31st March, 2017

x) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments are stated at cost less written down for any diminution, other than temporary, in carrying value. Current investments are stated at lower of cost and quoted value.

Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

xi) Inventories

Raw materials and Stores & Spareparts: Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Finished Goods: Inventories are valued at lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition.

xii) Retirement and other Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contribution towards provident funds are recognised as expenses and are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contribution. Liability towards gratuity, covering eligible employees on the basis of year-end actuarial valuation is recognised as a charge.

Accrued liability towards leave encashment benefits, covering eligible employees' is recognised as charge. Contribution to Central Government administered Employees' State insurance Scheme for eligible employees is recognised as charge. Super Annuation benefit scheme is not existing in the company at present.

xiii) Borrowing Cost

Borrowing cost that are directly attributable to acquisition and construction of qualifying asset are capitalised as part of the cost of such asset upto the date the asset is put to use. All other borrowing cost are charged to revenue on accrual basis unless otherwise stated.

xiv) Current and deferred tax

Provision for current income tax is made in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

xv) Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xvi) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

2. SHARE CAPITAL**Authorised**

153,000,000 Equity Share of ₹ 2/- Each

**As at
March 31st, 2017****As at
March 31st, 2016****3,060.00****3,060.00**

(Previous Year : 153,000,000 Equity Shares of ₹ 2/- each)

Issued, Subscribed & Paid Up

940,72,930 Equity Share of ₹ 2/- Each

1,881.46**1,881.46**

(Previous Year : 940,72,930 Equity Shares of ₹ 2/- each)

1,881.46**1,881.46****i) Terms/ Rights attached to Equity Shares:**

The Company has only one class of shares referred to as equity shares having a par value of 2/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

ii) Reconciliation of the number of shares**Equity Shares:**

	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	94,072,930	1,881.46	94,072,930	1,881.46
Add: Shares Issued during the year	Nil	-	-	-
Less: Shares bought back	Nil	-	-	-
Balance as at the end of the year	94,072,930	1,881.46	94,072,930	1,881.46

Shares Outstanding at the end of the year - 1,881.46

* Pursuant to the sub-division of the Equity shares of the Company, each Equity share of the face value of ₹ 10/- was subdivided into 5 Equity shares of the face value of ₹ 2/- each fully paid up w.e.f. May 22, 2015 and it ranks pari-passu in all respect with existing fully paid up Equity Shares of ₹10/- each.

iii) Details of equity shares held by shareholders holding more than 5% shares:

Name of Share Holder	Number of Shares	% holding	Number of Shares	% holding
Sri Ram Financial Consultants Pvt. Ltd	44,785,170	47.61%	44,785,170	47.61%
Shyambaba Trexim Pvt. Ltd.	15,551,680	16.53%	15,551,680	16.53%
Subh Labh Vintrade Pvt. Ltd	7,750,000	8.24%	7,750,000	8.24%
Inbara Holdings Pvt. Ltd	7,250,000	7.71%	7,250,000	7.71%

iv) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:

Number of Equity Shares of Rs.10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements)

without payment being received in Cash in the year 2010-11 26,072,930 26,072,930

Notes to the Financial Statements for the year ended 31st March, 2017

	As at March 31st, 2017		(₹ in Lacs) As at March 31st, 2016	
3. RESERVE AND SURPLUS				
Capital Reserve (Balance as per last account)	12.91		12.91	
Securities Premium Account (Balance as per last account)	5,322.45		5,322.45	
Amalgamation Reserve (Balance as per last account)	840.05		840.05	
Foreign Currency Monetary Item Translation Difference Account				
Balance as per Last Account	(262.21)		(266.08)	
Exchange Gain/(Loss) during the year	—		(111.03)	
Ammortization during the year	262.21	0.00	114.91	(262.21)
Revaluation Reserve				
Balance as at the beginning of the year	153.82		168.29	
Less: Depreciation arising out of revaluation	111.22	42.60	14.48	153.82
General Reserve				
Balance as at the beginning of the year	3,400.00		3,400.00	
Add: Transfer from Revaluation Reserve during the year	111.02	3,511.02		3,400.00
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	12,980.23		11,840.89	
Add: Adjustment for Depreciation as per Schedule II of Companies Act 2013.				
Add: Adjustment for Deferred Tax				
Add: Profit for the year	2,574.04		1,139.35	
	15,554.28		12,980.23	
Less: Appropriation				
Proposed Dividend on Equity Shares	-		-	
Tax on Proposed Dividend	-		-	
Transferred to General Reserve	-	15,554.28	-	12,980.23
		25,283.31		22,447.25
4. LONG TERM BORROWINGS				
	Non Current	Current	Non Current	Current
Secured				
Term Loan from Banks	5,041.77	1,870.36	4,031.65	3,000.15
Vehicle Loan	82.55		114.59	
Unsecured				
Other Loans	3,069.27		2,985.71	
	8,193.59	1,870.36	7,131.95	3,000.15

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

i) Terms of repayment of long-term borrowings are as follows:**Term Loans from Banks**

- a) Rupee term loan 5041.77 lacs (31.03.2016 3210.72 lacs loan is secured by 1st pari pasu charge by way of equitable mortgage over all present.hypothecation of present & future Current Assets of the Company on Second pari-passu basis) secured by 1st pari pasu charge by way of equitable mortgage over all present and future movable and immovable properties of the company except Falta and Dankuni and 2nd pari pasu basis charge on all Fixed Assets except Daman, Falta and Dankuni.

Term Loan from Others

- a) Indian rupee loan amounting 82.55 lacs (31.03.2016: 114.59 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2017	As at March 31st, 2016
5. <u>DEFERRED TAX LIABILITIES (NET)</u>		
Deferred tax liability		
Related to Fixed Assets	2,410.06	2,073.37
Net Deferred tax liability	2,410.06	2,073.37
6. <u>LONG-TERM PROVISIONS</u>		
<u>Provision for employee benefits:</u>		
Provision for gratuity (net)	54.41	42.41
	54.41	42.41
7. <u>SHORT-TERM BORROWINGS</u>		
<u>Secured</u>		
Loan repayable on demands	26,583.76	26,205.00
From Banks*		
<u>Unsecured</u>		
Short term loan from Bank	-	-
	26,583.76	26,205.00

* Includes Buyers Credit and Packing Credit

- i) Working Capital Loans from Banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company. Mortgage of Flat located at D-403, Dharam Palace, CHS limited, Shantivaan, Borivalli (E) , Mumbai-400066, on First Pari-passu basis. These loans are further secured by a second charge over the residual value on the Fixed assets of the units both present and future except Daman.

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
8. <u>TRADE PAYABLES</u>		
Acceptances - Secured (Refer Note (i) below)	6,430.50	10,299.50
Sundry Creditors (Refer Note (ii) & (iii) below)	8,297.26	3,094.66
	<u>14,727.76</u>	<u>13,394.16</u>
i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) <u>Sundry Creditors:</u>		
Sundry creditors for goods	7,337.88	2,425.64
Sundry creditors for expenses	959.39	669.02
	<u>8,297.26</u>	<u>3,094.66</u>
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		
9. <u>OTHER CURRENT LIABILITIES</u>		
Current maturities of Long term debt (Refer Note No.4)	1,870.36	3,000.15
Unpaid Dividend (Refer Note (i) below)	33.83	41.92
Statutory dues including provident fund and tax deducted at source	308.68	180.28
Creditors for Capital Expenditure	140.59	(48.59)
Advance from customers	-	-
Other Liabilities	916.86	804.62
	<u>3,270.31</u>	<u>3,978.38</u>
i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.		
10. <u>SHORT- TERM PROVISIONS</u>		
Provision for taxation (Net of tax payments)	826.41	732.57
Provision for proposed dividend on equity shares	-	-
Provision for tax on proposed dividends	-	-
	<u>826.41</u>	<u>732.57</u>

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

11. FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	Depreciation on Opening Balance	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:										
Free hold land	2,872.62	0.46	-	2,873.08	-	-	-	-	2,873.08	2,872.62
Factory Building	7,812.31	223.92	70.03	7,966.20	1,260.01	247.39	1.96	16.01	1,493.35	6,552.30
Plant & Machinery	15,470.84	2,523.15	27.97	17,966.02	6,269.59	726.85	7.91	10.08	6,994.27	9,201.23
Furniture & Fixture	170.90	132.65	-	303.55	71.12	16.24	3.22	-	90.57	99.79
Motor Car	468.20	17.70	72.28	413.62	251.09	43.39	1.94	60.52	235.90	217.12
Scooter, Moped & Cycle	4.41	-	-	4.41	3.40	0.17	-	-	3.57	1.01
Laboratory Equipment	541.88	204.89	-	746.77	145.44	51.48	4.59	-	201.51	396.44
Electrical Installation	1,923.53	39.48	-	1,963.01	748.80	184.77	0.70	-	934.27	1,174.73
Office Equipment	130.68	14.57	-	145.25	101.46	7.30	1.19	-	109.95	29.24
Air Conditioner	41.97	36.78	-	78.75	18.30	2.66	0.98	-	21.94	23.67
Computer	118.49	14.98	2.35	131.13	109.12	5.21	1.59	-	113.38	9.37
Total	29,555.85	3,208.58	172.64	32,591.78	8,978.33	1,285.44	24.09	86.61	10,198.71	20,577.53
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)									-	-
Total (A)	29,555.85	3,208.58	172.64	32,591.78	8,978.33	1,285.44	24.09	86.61	10,198.71	20,577.53
INTANGIBLE ASSETS:										
Technical Knowhow	40.90	-	-	40.90	40.69	-	-	-	40.69	0.20
Computer Software	46.53	0.11	-	46.64	21.72	4.42	0.00	-	26.15	24.81
Total (B)	87.42	0.11	-	87.53	62.41	4.42	0.00	-	66.84	25.01
Total(A+B)	29,643.27	3,208.68	172.64	32,679.31	9,040.74	1,289.86	24.09	86.61	10,265.55	20,602.54
Previous Year	29,009.13	5,383.42	4,749.30	29,643.24	9,110.25	-	1,463.40	1,532.95	9,040.70	16,761.88
Capital Work-in-Progress									1,401.00	373.71

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

12. NON-CURRENT INVESTMENTS	Face Value ₹	As at March 31st, 2017		As at March 31st, 2016	
		No. of Shares	Amount	No. of Shares	Amount
A) Trade investments					
i) Investments in Equity instruments of other entities					
Quoted					
Kkalpana Plastick Limited	10/-	2,002,920	200.29	2,002,920	200.29
B) Other Investments					
i) Investments in Equity instruments of other entities					
Quoted					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd. *	2/-	826,194	50.65	826,194	50.65
Unquoted					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
Kkalpana Plastics Middeast FZE			-		7.32
Plastic Processors and Exporters Pvt Ltd		8,100	36.00		
ii) Investments in Government or trust securities					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			289.60		260.92
Aggregate Book Value of Investments					
Quoted			250.95		250.95
Unquoted			9.97		9.97
			260.92		260.92
Aggregated Market Value of quoted Investments			155.01		124.14

* Amount is below the rounded off norms as adopted by the company.

- i) No provision has been made for the diminution of 129.45 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- ii) National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.
- iii) During the quarter ended 31st March 2017 M/S Plastic Processors and Exporters Pvt. Ltd. has become a subsidiary of the company.

As per AS-21 issued by ICAI if on the first occasion CFS are presented, then comparative figures for previous period need not be presented. Therefore, the above financial results does not contain comparative figures of previous year.

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
13. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital advances	7.29	-
Security Deposits	128.29	119.21
	<u>135.58</u>	<u>119.21</u>
14. INVENTORIES		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	14,437.00	6,609.87
Raw Materials in Transit	-	3.36
Finished Goods	2,671.99	3,169.07
Stores & Spares	247.33	225.58
	<u>17,356.32</u>	<u>10,007.89</u>
(i) Details of closing finished goods inventories		
PE Compound	1047.51	1,995.98
PVC Compound	207.05	725.61
Agglomerates	1138.52	206.14
Others	278.91	241.34
	<u>2,671.99</u>	<u>3,169.07</u>
15. TRADE RECEIVABLES		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	1362.07	1046.58
Others	33,608.64	36,336.20
	<u>34,970.71</u>	<u>37,382.77</u>
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand (As certified by the management)	37.10	112.19
Balances with banks		
In Current Accounts	477.18	541.26
In EEFC Accounts	81.38	250.74
In Margin & Guarantee Deposits	1,597.88	1,831.58
In Unpaid Dividend Account	33.82	41.92
	<u>2,227.36</u>	<u>2,777.69</u>

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
17. <u>SHORT TERM LOANS AND ADVANCES</u>		
(Unsecured - Considered good)		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	186.51	190.70
Balance with Government Authorities	4,005.29	5,050.78
Inter-corporate deposits	-	32.28
Advance to Suppliers	-	-
Other Loans and Advances	232.85	1,054.25
	<u>4,424.66</u>	<u>6,328.02</u>
18. <u>OTHER CURRENT ASSETS</u>		
Interest accrued on deposits	12.07	34.23
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)	-	-
	<u>12.07</u>	<u>34.23</u>
19. <u>REVENUE FROM OPERATIONS</u>		
Sale of products (Refer Note (i) below);	212,898.50	200,314.03
Sale of Scrap (Non Operating)	198.46	231.08
Job Work Income		
	<u>213,096.96</u>	<u>200,545.11</u>
Less : Excise Duty	18,699.98	14,774.16
	<u>194,396.98</u>	<u>185,770.95</u>
(i) <u>Particulars of sale of products:</u>		
<u>Particulars</u>		
PE Compound	104,384.13	107,136.20
PVC Compound	60,518.16	42,758.46
Others	48,194.68	50,650.46
	<u>213,096.96</u>	<u>200,545.11</u>
20. <u>OTHER INCOME</u>		
Interest Income		
Interest Income	163.54	186.45
Export Incentive	84.00	149.17
Insurance Claim received	11.21	6.19
Rent	0.80	0.65
Profit On Sale Of Assets	114.24	487.68
Miscellaneous Receipts	11.98	3.58
Commission Received	943.76	1,053.20
	<u>1,329.52</u>	<u>1,886.93</u>

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
21. COST OF MATERIALS CONSUMED		
Raw materials consumed		
LLDPE/ LDPE	78,262.24	61,281.83
PVC Resin	35,417.64	28,830.72
Plastic Scrap	36.26	156.32
Other items	58,839.01	71,141.50
	<u>172,555.15</u>	<u>161,410.37</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories of Finished Goods	3,169.07	7,367.46
Less: Closing inventories of Finished Goods	(2,671.99)	(3,169.07)
(Increase)/ Decrease	<u>497.09</u>	<u>4,198.38</u>
23. EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Bonus	2,067.25	1,762.54
Contribution to Provident and other Funds	70.95	99.73
Staff Welfare Expenses	78.16	80.24
	<u>2,216.36</u>	<u>1,942.51</u>
24. FINANCE COSTS		
(a) Interest on borrowings	2,612.85	4,031.16
(b) Interest on others	361.92	189.77
(c) Other borrowing costs	1,463.96	883.69
	<u>4,438.73</u>	<u>5,104.62</u>
25. OTHER EXPENSES		
Consumption of stores and spares	136.84	133.85
Power & Fuel	1,892.11	1,942.45
Clearing and Forwarding charges	1,114.55	1,050.93
Rent	300.01	277.11
Repair & Maintenance - Building	85.75	31.77
Repair & Maintenance - Machinery	412.18	460.27
Repair & Maintenance - Others	157.50	138.66
Insurance Charges	123.22	170.52
Rates & Taxes	31.96	90.72
Carriage and freight	1,273.78	944.94
Payments to auditors (Refer Note (i) below)	3.75	3.75
Directors' Fees	3.90	-
Bad debts/Advances Written Off	546.63	162.91
Selling & Distribution Expenses	3,617.37	2,857.19
Miscellaneous expenses		
	<u>1,268.72</u>	<u>916.35</u>
	<u>10,968.27</u>	<u>9,181.42</u>
(i) Auditors' remuneration and expenses		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	-	-
Reimbursement of out-of-pocket expenses	-	-
	<u>3.75</u>	<u>3.75</u>

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
26 CONTINGENT LIABILITIES		
Bank Guarantee	898.63	612.54
Total	898.63	612.54
27 CAPITAL AND OTHER COMMITMENTS		
Capital Commitments		
Estimated value of contracts in capital account remaining to be executed and not provided for (Net of advances)	49.94	140.28
Other Commitments		
Letter of Credit	21,849.97	10,561.38
Total	21,899.91	10,701.66
28 EARNING PER SHARE		
A) Net Profit before Tax for basic earning per share (Fully attributable to equity shareholders)	2,574.04	1,139.35
Adjustment for the purpose of Diluted Earning Per Share	-	-
B) Weighted average number of Equity Shares for earning per share computation	940,72,930	940,72,930
i Number of equity Shares at the beginning of the Year	-	-
ii a) Number of equity Shares allotted during the Year	-	-
b) Number of Equity Shares to be allotted on amalgamation.	-	-
iii weighted average Number of Equity Shares allotted during the year.	-	-
iv Number of Potential Equity Shares	-	-
v Weighted average for:		
a) Basic Earning per Share	940,72,930	940,72,930
b) Diluted Earning per Share	940,72,930	940,72,930
C) Earning Per Share		
i Basic	2.74	1.21
ii Diluted	2.74	1.21
D) "Face Value Per Share (₹)		
(Face Value restated) *"	2.00	2.00

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

29 VALUE OF IMPORTED AND INDIGENEOUS MATERIAL CONSUMED

Particulars	31st March 2017		31st March 2016	
	Rs.	% age of Total Consumption	Rs.	% age of Total Consumption
Raw Materials				
i Imported	89,617.49	52%	66,012.92	41%
ii Indigeneos	82,937.66	48%	95,397.45	59%
	172,555.15	100%	161,410.37	100%
Store, Spare parts and Components				
i Imported	61.58	44%	73.62	44%
ii Indigeneous	75.26	56%	60.23	56%
Total	136.84	100%	133.85	100%

30 VALUE OF IMPORTS ON CIF BASIS

	March 31st, 2017	March 31st, 2016
Raw Materials	83,608.27	66,220.22
Stores, Spare parts and Components	124.07	132.97
Capital Goods	1,293.92	1,420.16
Total	85,026.27	67,773.35

31 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at FOB Value	36,090.34	42,370.19
Total	36,090.34	42,370.19

32 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Travelling	18.17	82.78
Exhibition	77.59	12.23
Interest	314.70	859.89
Other Matters	63.31	10.70
Total	473.77	965.60

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

33 EMPLOYEE BENEFITS

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 70.95 lacs (Previous Year 99.73 lacs) has been charged to the Profit and Loss Account during the year.
- ii Description of type of employee benefits: The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment. Fund is created for payment of gratuity. However, no fund is created for payment of leave wages, the Company would pay the same out of its own funds as and when the same becomes payable.

Particulars	March 31st, 2017	March 31st, 2016
Changes in present value of obligation		
Present value of obligation as at beginning of the year	139.16	107.04
Add: Present obligation of transferor company		
Interest Cost	11.69	9.88
Current Service Cost	24.43	19.36
Past Service Cost		
Benefits Paid	(6.30)	(24.87)
Acturial (gain)/Loss on obligation	3.47	27.76
Present Value of Obligation at the end of the year	172.45	139.17
Changes in fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	96.75	103.80
Expected Return on Plan Assets	8.05	8.02
Contributions	20.60	10.68
Benefits Paid	(6.30)	(24.87)
Acturial (gain)/loss	(1.06)	(0.88)
Fair Value of Plan Assets at the end of the year	118.04	96.75
Present value of the Defined Benefit Obligation and the fair value of Plan Assets		
Present value of obligation at the end of the year	172.45	139.17
Fair value of plan assets at the end of the year	118.04	96.75
Liabilities /(Assets) recognised in Balance Sheet	54.41	42.42

- iii Para 132 of AS-15 (Revised 2005) does not require any specific disclosure except where expenses resulting from compensated absence is of such size, nature or incidence that disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expenses resulting from compensated absence is not significant and hence no disclosures are given under various paragraphs of AS-15.
- iv **The principal assumptions used in determining gratuity and leave encashment for the Company's plans are shown below:**

Particulars	March 31st, 2017	March 31st, 2016
Discount Rate	7.50%	8.00%
Expected Rate of Return on Assets	7.50%	8.00%
Future Salary Escalation Rate	6.00%	6.00%
Mortality Rate	23.03	21.18
Expense recognised in the Profit and Loss Account	23.24	21.40

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

34 PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE:

Particulars		FY 2016-17	FY 2015-16
Forward Contract outstanding	USD	1,781,250	6,531,250
Foreign Currency Loan		1,022	3,821
The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.			
Outstanding derivative contract for Interest Rate and Currency Swaps	USD	1,781,250	6,531,250
		1,022	3,821
Un-hedged Foreign Currency Exposure			
a) Foreign Currency Loan	USD		
	EURO		
b) Trade Payables	USD	3,544,350	7,878,322
		2,298	5,226
	EURO	175,693	87,876
		121	66
c) Trade Receivables	USD	5,055,468	6,224,503
		3,278	4,129
	EURO	1,597,653	390,600
		1,104	293
d) Other Liabilities	USD	-	-
		-	-

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

35 SEGMENT REPORTING

- i **Primary Segment (Business Segment):** The Company operates in a single reportable segment (i.e. Manufacturing and sale of PVC and XLPE compound, which have similar risk and returns for the purpose of AS 17 on 'Segment Reporting' issued by ICAI.
- ii **Secondary segment (by Geographical demarcation):**

Particulars	March 31st, 2017	March 31st, 2016
Segment Revenue		
Domestic	172,794.58	143,400.76
Overseas	21,602.40	42,370.19
Segment Assets		
Trade Receivables		
Domestic	30,339.34	33,791.49
Overseas	4,631.37	3,591.28

Note: The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets / additions to other assets has not been furnished.

36 RELATED PARTY DISCLOSURES

As per Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the transaction with related parties of the company are as follows.

Related Parties with whom the company had transactions during the year

Key Management Personnel : Mr. Narrindra Suranna, Mr. Rajesh Kothari, Mr. P.R. Mukherjee

Relatives of Key Management Personnel : Mrs. Tara Devi Surana, Mrs. Sarla Devi Surana, Mr. Surendra Kumar Surana, Mr. Dev Krishna Surana

A Shareholder holding more than 20% of Equity Shares of the Company : Sri Ram Financial Consultants Pvt. Ltd.

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2016

Particulars		March 31st, 2017	March 31st, 2016
(A) Key Management Personnel			
Remuneration Paid	Mr. Narrindra Suranna	33.60	31.20
	Mr. Rajesh Kothari	25.00	18.76
	Mr. P.R.Mukherjee	18.00	17.00
Dividend Paid	Mr. Narrindra Suranna		
Outstanding as at the year end			
(B) Relatives of Key Management Personnel			
Dividend Paid	Mrs. Tara Devi Surana	-	-
	Mrs. Sarla Devi Surana	-	-
	Mr. Dalam Chand Surana	-	-
	Mr. Surendra Kumar Surana	-	-
	Mr. Dev Krishna Surana	-	-

Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

(C) A Shareholder holding more than 20% of Equity Shares of the Company			
Dividend Paid	Sri Ram Financial Consultants Pvt. Ltd	-	-

* The amount is below the roundoff norms as adopted by the Company.

37 The provision for Income Tax has been made U/s 115JB of Income Tax Act.

38 Previous years figures have been reclassified to confirm to current years classifications.

39 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	10,528,148	1,206,696	11,734,844
(+) Permitted receipts	-	461,420	461,420
(-) Permitted payments	-	305,213	305,213
(-) Amount deposited in Banks	10,528,148	51,928	10,580,076
Closing cash in hand as on 30-12-2016	-	1,310,975	1,310,975

*For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
KKALPANA INDUSTRIES (INDIA) LTD.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KKALPANA INDUSTRIES (INDIA) LTD.** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013(hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by us is sufficient and appropriate

to provide a basis for our audit opinion on the Consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group did not have any pending litigation which would impact its financial position.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For and on behalf of

B. MUKHERJEE & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

B. MUKHERJEE

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2017.

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

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

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 (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 Holding Company, its subsidiary companies have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For and on behalf of

B. MUKHERJEE & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 302096E

B. MUKHERJEE

PARTNER

(Membership No. 002941)

Place: Kolkata

Date: 30th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017 (₹ in Lacs)

	Note	As at March 31st, 2017		As at March 31st, 2016	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	25,280.19	27,161.65	22,447.25	24,328.71
Non-current liabilities					
Long-term borrowings	4	8,193.59		7,131.95	
Deferred tax liabilities (Net)	5	2,408.46		2,073.37	
Long-term provisions	6	54.41	10,656.46	42.41	9,247.73
Current liabilities					
Short-term borrowings	7	26,583.76		26,205.00	
Trade payables	8	14,730.79		13,394.16	
Other current liabilities	9	3,257.57		3,978.38	
Short-term provisions	10	826.47	45,398.59	732.57	44,310.11
TOTAL		83,216.70		77,886.55	
ASSETS					
Non-current assets					
Goodwill		49.60			
Fixed assets					
	11				
Tangible assets		22,402.27		20,577.53	
Intangible assets		20.69		25.01	
Capital work-in-progress		1,401.00	23,823.96	373.31	20,975.85
Non-current investments	12	253.60		260.92	
Long-term loans and advances	13	143.59	397.19	119.21	380.13
Current assets					
Inventories	14	17,356.32		10,007.87	
Trade receivables	15	34,970.71		37,382.77	
Cash and Bank Balances	16	2,248.00		2,777.69	
Short-term loans and advances	17	4,358.54		6,328.02	
Other current assets	18	12.37	58,945.94	34.23	56,530.57
TOTAL		83,216.70		77,886.55	

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

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

(₹ in Lacs)

	Note	Year Ended March 31st, 2017	Year Ended March 31st, 2016
INCOME			
Revenue from operations	19	213,096.96	200,545.11
Less: Excise duty		18,699.98	14,774.16
Revenue from operations (net)		194,396.98	185,770.95
Other Income	20	1,329.52	1,886.93
Total Revenue		195,726.50	187,657.88
EXPENSES			
Cost of materials consumed	21	172,555.15	161,410.37
Changes in inventories of finished goods	22	497.09	4,198.38
Employee benefits expense	23	2,216.36	1,942.51
Finance costs	24	4,438.73	5,104.62
Depreciation and amortization expense		1,313.95	1,463.40
Less: Depreciation on amount added on revaluation		0.19	14.48
Other expenses	25	10,968.27	9,181.42
Total expenses		191,989.36	183,286.23
Profit before exceptional and extraordinary items and tax		3,737.14	4,371.65
Profit / (loss) from Subsidiary Co		(3.12)	
Exceptional & extraordinary items		-	2,668.98
Loss On Impairment of Assets		-	-
Loss On Assets Destroyed by Fire		-	-
Profit before tax		3,734.02	1,702.67
Tax expense:			
Current Tax Expenses		826.41	387.07
Deferred Tax		336.69	176.25
Profit for the year		2,570.93	1,139.35
Earnings per equity share: (Refer note no.28)		₹	₹
Basic		2.74	1.21
Diluted		2.74	1.21

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.

This is the Statement of Profit & Loss referred to in our report of even date.

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lacs)

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items	3,730.27	4,371.65
Add: Depreciation	1,313.95	1,463.40
Profit on sale of Fixed Assets	(114.24)	(487.68)
Finance Costs	4,438.73	5,104.62
	5,638.44	6,080.34
	9,368.71	10,451.99
Less: Interest Income	163.54	-
Revaluation Reserve	111.22	14.48
Effect of Transitional Provison		
Amount transferred to General Reserve	(111.02)	
Change in Foreign Currency Translation Difference	(262.21)	(3.88)
	(98.48)	10.60
Operating Profit before Working Capital Changes	9,467.19	10,441.38
Adjustment for:		
Trade and Other Receivables	4,337.58	(950.80)
Long Term Loans & Advances	(16.37)	234.55
Inventories	(7,348.45)	2,931.66
Trade payables and other liabilities	371.11	(945.73)
	(2,656.14)	1,269.69
Cash Generated before Extra Ordinary Items	6,811.05	11,711.07
Extra Ordinary Items	-	2,668.98
Cash Generated from Operations	6,811.05	9,042.09
Direct Tax paid (net of refunds)	466.14	309.13
Net Cash Generated from Operating Activities (A)	6,344.91	8,732.96
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible/Intangible assets	(4,236.38)	(4,211.94)
Sale of fixed assets	199.41	3,704.04
Purchase of Investments	-	(7.32)
Interest Received	163.54	77.75
Net Cash Generated from Investing Activities (B)	(3,873.43)	(437.47)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,069.87	(4,004.45)
Non Current Investmetns	(28.68)	
Short Term Borrowings (net)	378.75	(63.12)
Interest Paid	(4,438.38)	(5,104.62)
Net Cash Generated from Financing Activities (C)	(3,018.44)	(9,172.19)

	Year Ended March 31st, 2017	Year Ended March 31st, 2016
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(546.96)	(876.70)
Cash and Cash equivalents at the beginning of the year	2791.52	3,654.39
Cash and Cash equivalents at the end of the year	<u>2,248.00</u>	<u>2,777.69</u>

NOTES:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India
- 2 Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- 3 Cash and cash equivalents comprise of:

Cash on Hand	37.10	112.19
Cash on Hand(Plastic Processor and Exporters Pvt. Ltd.)	1.00	7.75
Balances with scheduled banks:		
- In Current Accounts	477.18	541.26
- In Current Accounts (Plastic Processor and Exporters Pvt. Ltd.)	19.41	1.99
- In EEFC Accounts	81.38	250.74
- In Margin & Guarantee Deposit Accounts*	1,597.88	1,831.58
- In Margin & Guarantee Deposit Accounts* (Plastic Processor and Exporters Pvt. Ltd.)	0.23	4.09
- In Unpaid Dividend Account*	33.82	41.92
	<u>2,248.00</u>	<u>2,791.52</u>

* Balances not available for use by the Company

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

For **B. Mukherjee & Co.**

Chartered Accountants

Firm Registration No:302096E

B. Mukherjee

Partner

Membership No.002941

Date : 30th May, 2017

Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna

(DIN 00060127)

Chairman and Managing Director

Rajesh Kumar Kothari

(DIN 02168932)

Whole Time Director

A. B. Chakrabarty

(Membership No. FCS 7184)

Company Secretary

Indar Chand Dakalia

Chief Financial Officer

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

1. SIGNIFICANT ACCOUNTING POLICIES**i) Group Overview**

The consolidated financial statements comprise financial statements of Kkalpana Industries (India) Limited, Parent Company and its subsidiary and its associate (hereinafter referred as “the Group”). “It is incorporated under the Indian Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange Limited .”

Group Structure:

Name of the company	Country of Incorporation	% of share held by the parent company as at 31 March 2017
Subsidiary		
Plastic Processors and Exporter Pvt. Ltd.	India	90.00%
Associates		
Kkalpana Plastick Limited	India	36.23%

ii) Basis of Accounting

The consolidated financial statements of the Group are prepared and presented on accrual basis and under the historical cost convention

iii) Use of Estimates and Judgement

The preparation of the consolidated financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the consolidated financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

iv) Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at 31 March 2017. The Parent Company prepares and report its consolidated financial statements in INR.

Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its return

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

Consolidation Procedure:**Subsidiary:**

- a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).
- d) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

v) Goodwill

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

vi) Investment in Associate

Kkalpana Industries (India) Ltd. Is having one Associate Company named as Kkalpana Plastick Ltd, As per the provisions of Companies Act 2013, the definition of Subsidiary has been amended to include Associate Company, therefore, Consolidated Financial Statement is required to be prepared as per AS-23. The Company is not Preparing the CFS as required by Companies Act 2013, as because currently the Associate Company is not in a condition to transfer funds to the Holding Company. However, given below additional information as required by Companies Act 2013, for the FY 2016-17.

Additional Information as stated under Schedule III of Companies Act 2013.

Name of the Equity	Net Assets (i.e Total Assets minus Total Liabilities)			Share in Profit and Loss		(Rs. in Lacs) Amount
	Net Assets	As a %age Net Assets	Amount	PAT	As a %age of Profit or Loss	
Kkalpana Plastick Limited- Associate Company	60,105,077.08	36.23%	21,776,069	(2,317,208)	36.23%	(839,524)
Plastic Processors and Exporter Pvt Ltd- Subsidiary	(1,858,077.00)	90.00%	(1,672,269)	(311,907)	90.00%	(280,716)

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
2. SHARE CAPITAL		
<u>Authorised</u>		
153,000,000 Equity Share of ₹ 2/- each	3,060.00	3,060.00
(Previous Year : 153,000,000 Equity Shares of ₹ 2/- each)		
<u>Issued, Subscribed & Paid Up</u>		
940,72,930 Equity Share of ₹ 2/- each	1,881.46	1,881.46
(Previous Year : 940,72,930 Equity Shares of ₹ 2/- each)		
	1,881.46	1,881.46

i) Terms/ Rights attached to Equity Shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

ii) Reconciliation of the number of shares

<u>Equity Shares:</u>	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	94,072,930	1,881.46	94,072,930	1,881.46
Add: Shares Issued during the year	Nil	-	-	-
Less: Shares bought back	Nil	-	-	-
Balance as at the end of the year	94,072,930	1,881.46	94,072,930	1,881.46
Shares Outstanding at the end of the year	-	1,881.46		

* Pursuant to the sub-division of the Equity shares of the Company, each Equity share of the face value of ₹ 10/- was subdivided into 5 Equity shares of the face value of ₹ 2/- each fully paid up w.e.f. May 22, 2015 and it ranks pari-passu in all respect with existing fully paid up Equity Shares of ₹ 10/- each.

iii) Details of equity shares held by shareholders holding more than 5% shares:

Name of Share Holder	Number of Shares	% holding	Number of Shares	% holding
Sri Ram Financial Consultants Pvt. Ltd	44,785,170	47.61%	44,785,170	47.61%
Shyambaba Trexim Pvt. Ltd.	15,551,680	16.53%	15,551,680	16.53%
Subh Labh Vintrade Pvt. Ltd	7,750,000	8.24%	7,750,000	8.24%
Inbara Holdings Pvt. Ltd	7,250,000	7.71%	7,250,000	7.71%

iv) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:

Number of Equity Shares of Rs.10/- each allotted as fully paid up pursuant to contract (Scheme of Amalgamation/ Arrangements) without payment being received in Cash in the year 2010-11)	26,072,930	26,072,930
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Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at		As at	
	March 31st, 2017		March 31st, 2016	
3. RESERVE AND SURPLUS				
Capital Reserve (Balance as per last account)	12.91		12.91	
Securities Premium Account (Balance as per last account)	5,322.45		5,322.45	
Amalgamation Reserve (Balance as per last account)	840.05		840.05	
Foreign Currency Monetary Item Translation Difference Account				
Balance as per Last Account	(262.21)		(266.08)	
Exchange Gain/(Loss) during the year			(111.03)	
Ammortization during the year	262.21	0.00	114.91	(262.21)
Revaluation Reserve				
Balance as at the beginning of the year	153.82		168.29	
Less: Depreciation arising out of revaluation	111.22	42.60	14.48	153.82
General Reserve				
Balance as at the beginning of the year	3,400.00		3,400.00	
Add: Transfer from Revaluation Reserve during the year	111.02			
		3511.02		3,400.00
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	12,980.23		11,840.89	
Add: Adjustment for Depreciation as per Schedule II of Companies Act 2013.				
Add: Adjustment for Deferred Tax				
Add: Profit for the year	2,570.93		1,139.35	
	15,551.16		12,980.23	
Less: Appropriation				
Proposed Dividend on Equity Shares	-		-	
Tax on Proposed Dividend	-		-	
Transferred to General Reserve	-		-	
		15,551.16		12,980.23
		25,280.19		22,447.25
4. LONG TERM BORROWINGS				
	Non Current	Current	Non Current	Current
Secured				
Term Loan from Banks	5,041.77	1,870.36	4,031.65	3,000.15
Vehicle Loan	82.55		114.59	
Unsecured				
Other Loans	3,069.27		2,985.71	
	8,193.59	1,870.36	7,131.95	3,000.15

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

i) Terms of repayment of long-term borrowings are as follows:**Term Loans from Banks**

- a) Rupee term loan 5041.77 lacs (31.03.2016 : 3210.72 lacs loan is secured by 1st pari pasu charge by way of equitable mortgage over all present.hypothecation of present & future Current Assets of the Company on Second pari-passu basis) secured by 1st pari pasu charge by way of equitable mortgage over all present and future movable and immovable properties of the company except Falta and Dankuni and 2nd pari pasu basis charge on all Fixed Assets except Daman, Falta and Dankuni.

Term Loan from Others

- a) Indian rupee loan amounting 82.55 lacs (31.03.2016: 114.59 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2017	As at March 31st, 2016
5. <u>DEFERRED TAX LIABILITIES (NET)</u>		
Deferred tax liability		
Related to Fixed Assets	2,408.46	2,073.37
Net Deferred tax liability	2,408.46	2,073.37
6. <u>LONG-TERM PROVISIONS</u>		
Provision for employee benefits:		
Provision for gratuity (net)	54.41	42.41
	54.41	42.41
7. <u>SHORT-TERM BORROWINGS</u>		
<u>Secured</u>		
Loan repayable on demands	26,583.76	26,205.00
From Banks*		
<u>Unsecured</u>		
Short term loan from Bank	-	-
	26,583.76	26,205.00

* Includes Buyers Credit and Packing Credit

- i) Working Capital Loans from Banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company. Mortgage of Flat located at D-403, Dharam Palce, CHS limited, Shantvaan, Borivalli (E) , Mumbai-400066, on First Pari-passu basis. These loans are further secured by a second charge over the residual value on the Fixed assets of the units both present and future except Daman.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
8. <u>TRADE PAYABLES</u>		
Acceptances - Secured (Refer Note (i) below)	6,430.50	10,299.50
Sundry Creditors (Refer Note (ii) & (iii) below)	8,300.29	3,094.66
	14,730.79	13,394.16
 i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) <u>Sundry Creditors:</u>		
Sundry creditors for goods	7,337.88	2,425.64
Sundry creditors for expenses	962.41	669.02
	8,300.29	3,094.66
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		
 9. <u>OTHER CURRENT LIABILITIES</u>		
Current maturities of Long term debt (Refer Note No.4)	1,870.36	3,000.15
Unpaid Dividend (Refer Note (i) below)	33.83	41.92
Statutory dues including provident fund and tax deducted at source	308.68	180.28
Creditors for Capital Expenditure	125.80	(48.59)
Advance from customers	-	-
Other Liabilities	918.90	804.62
	3,257.57	3,978.38
 i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.		
 10. <u>SHORT- TERM PROVISIONS</u>		
Provision for taxation (Net of tax payments)	826.47	732.57
Provision for proposed dividend on equity shares	-	-
Provision for tax on proposed dividends	-	-
	826.47	732.57

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

11. FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01-04-2016	Addition during the year	Sales/ Disposals	As at 31-03-2017	As at 01-04-2016	Depreciation on Opening Balance	For the year	Sales/ Disposals	As at 31-03-2017	As at 31-03-2016
TANGIBLE ASSETS:										
Free hold land	2,872.62	0.46	-	2,873.08	-	-	-	-	2,873.08	2,872.62
Factory Building	7,818.63	223.92	70.03	7,972.51	1,260.01	248.66	1.96	16.01	1,494.62	6,552.30
Plant & Machinery	15,473.73	2,523.15	27.97	17,968.91	6,269.59	727.43	7.91	10.08	6,994.85	9,201.23
Furniture & Fixture	170.90	132.65	-	303.55	71.12	16.24	3.22	-	90.57	99.79
Motor Car	468.20	17.70	72.28	413.62	251.09	43.39	1.94	60.52	235.90	217.12
Scooter, Moped & Cycle	4.41	-	-	4.41	3.40	0.17	-	-	3.57	1.01
Laboratory Equipment	541.88	204.89	-	746.77	145.44	51.48	4.59	-	201.51	396.44
Electrical Installation	1,923.53	39.48	-	1,963.01	748.80	184.77	0.70	-	934.27	1,174.73
Office Equipment	130.68	14.57	-	145.25	101.46	7.30	1.19	-	109.95	29.24
Air Conditioner	41.97	36.78	-	78.75	18.30	2.66	0.98	-	21.94	23.67
Computer	118.49	14.98	2.35	131.13	109.12	5.21	1.59	-	113.38	9.37
Total	29,565.04	3,208.58	172.64	32,600.98	8,978.33	1,287.29	24.09	86.61	10,200.56	20,577.53
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)									-	-
Total (A)	29,565.04	3,208.58	172.64	32,600.98	8,978.33	1,287.29	24.09	86.61	10,200.56	20,577.53
INTANGIBLE ASSETS:										
Technical Knowhow	40.90	-	-	40.90	40.69	-	-	-	40.69	0.20
Computer Software	46.53	0.11	-	46.64	21.72	4.42	0.00	-	26.15	24.81
Total (B)	87.42	0.11	-	87.53	62.41	4.42	0.00	-	66.84	25.01
Total(A+B)	29,652.47	3,208.68	172.64	32,688.51	9,040.74	1,291.71	24.09	86.61	10,267.40	20,602.54
Previous Year	29,009.13	5,383.42	4,749.30	29,643.24	9,110.25	-	1,463.40	1,532.95	9,040.70	16,761.88
Capital Work-in-Progress									1,401.00	373.71

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

12. NON-CURRENT INVESTMENTS	Face Value ₹	As at March 31st, 2017		As at March 31st, 2016	
		No. of Shares	Amount	No. of Shares	Amount
A) Trade investments					
i) Investments in Equity instruments of other entities					
Quoted					
Kkalpana Plastick Limited	10/-	2,002,920	200.29	2,002,920	200.29
B) Other Investments					
i) Investments in Equity instruments of other entities					
Quoted					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd.*	2/-	826,194	50.65	826,194	50.65
Unquoted					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
Kkalpana Plastics Middeast FZE			-		7.32
Plastic Processors and Exporter Pvt Ltd			-		
ii) Investments in Government or trust securities					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			253.60		260.92
Aggregate Book Value of Investments					
Quoted			250.95		250.95
Unquoted			9.97		9.97
			260.92		260.92
Aggregated Market Value of quoted Investments			155.01		124.14

* Amount is below the rounded off norms as adopted by the company.

- No provision has been made for the diminuation of 129.45 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.
- During the quarter ended 31st March 2017 M/S Plastic Processors and Exporters Pvt. Ltd. has become a subsidiary of the company.

As per AS-21 issued by ICAI if on the first occasion CFS are presented, then comparative figures for previous period need not be presented. Therefore, the above financial results does not contain comparative figures of previous year.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
13. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital advances	7.29	-
Security Deposits	136.30	119.21
	143.59	119.21
14. INVENTORIES		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	14,437.00	6,609.87
Raw Materials in Transit	-	3.36
Finished Goods	2,671.99	3,169.07
Stores & Spares	247.33	225.58
	17,356.32	10,007.89
(i) Details of closing finished goods inventories		
PE Compound	1047.51	1,995.98
PVC Compound	207.05	725.61
Agglomerates	1138.52	206.14
Others	278.91	241.34
	2,671.99	3,169.07
15. TRADE RECEIVABLES		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	1362.07	1046.58
Others	33,608.64	36,336.20
	34,970.71	37,382.77
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand (As certified by the management)	38.10	112.19
Balances with banks		
In Current Accounts	632.39	541.26
In EEFC Accounts	81.38	250.74
In Margin & Guarantee Deposits	1,462.30	1,831.58
In Unpaid Dividend Account	33.82	41.92
	2,248.00	2,777.69

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

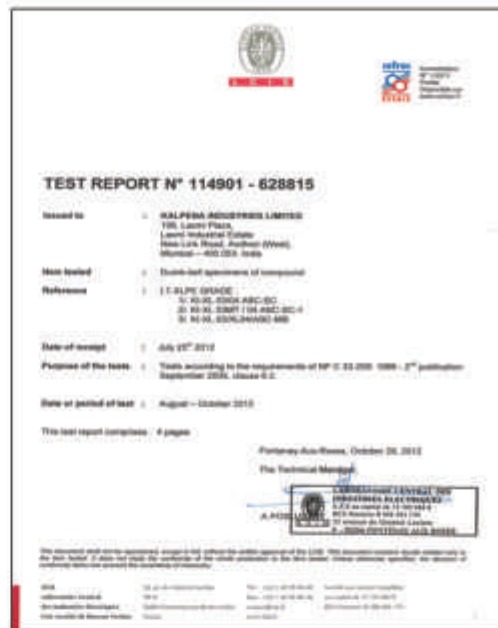
(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
17. <u>SHORT TERM LOANS AND ADVANCES</u>		
(Unsecured -Considered good)		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	186.51	190.70
Balance with Government Authorities	4,005.36	5,050.78
Inter-corporate deposits	-	32.28
Advance to Suppliers	-	-
Other Loans and Advances	166.68	1,054.25
	4,358.54	6,328.02
18. <u>OTHER CURRENT ASSETS</u>		
Interest accrued on deposits	12.37	34.23
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)	-	
	12.37	34.23
19. <u>REVENUE FROM OPERATIONS</u>		
Sale of products (Refer Note (i) below);	212,898.50	200,314.03
Sale of Scrap (Non Operating)	198.46	231.08
Job Work Income		
	213,096.96	200,545.11
Less : Excise Duty	18,699.98	14,774.16
	194,396.98	185,770.95
(i) Particulars of sale of products:		
Particulars		
PE Compound	104,384.13	107,136.20
PVC Compound	60,518.16	42,758.46
Others	48,194.68	50,650.46
	213,096.96	200,545.11
20. <u>OTHER INCOME</u>		
Interest Income		
Interest Income	163.54	186.45
Export Incentive	84.00	149.17
Insurance Claim received	11.21	6.19
Rent	0.80	0.65
Profit on Sale of Assets	114.24	487.68
Miscellaneous Receipts	11.98	3.58
Commission Received	943.76	1,053.20
	1,329.52	1,886.93

Consolidated Notes to the Financial Statements for the year ended 31st March, 2017

(₹ in Lacs)

	As at March 31st, 2017	As at March 31st, 2016
21. COST OF MATERIALS CONSUMED		
Raw materials consumed		
LLDPE/ LDPE	78,262.24	61,281.83
PVC Resin	35,417.64	28,830.72
Plastic Scrap	36.26	156.32
Other items	58,839.01	71,141.50
	<u>172,555.15</u>	<u>161,410.37</u>
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories of Finished Goods	3,169.07	7,367.46
Less: Closing inventories of Finished Goods	(2,671.99)	(3,169.07)
(Increase)/ Decrease	<u>497.09</u>	<u>4,198.38</u>
23. EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Bonus	2,067.25	1,762.54
Contribution to Provident and other Funds	70.95	99.73
Staff Welfare Expenses	78.16	80.24
	<u>2,216.36</u>	<u>1,942.51</u>
24. FINANCE COSTS		
(a) Interest on borrowings	2,612.85	4,031.16
(b) Interest on others	361.92	189.77
(c) Other borrowing costs	1,463.96	883.69
	<u>4,438.73</u>	<u>5,104.62</u>
25. OTHER EXPENSES		
Consumption of stores and spares	136.84	133.85
Power & Fuel	1,892.11	1,942.45
Clearing and Forwarding charges	1,114.55	1,050.93
Rent	300.01	277.11
Repair & Maintenance - Building	85.75	31.77
Repair & Maintenance - Machinery	412.18	460.27
Repair & Maintenance - Others	157.50	138.66
Insurance Charges	123.22	170.52
Rates & Taxes	31.96	90.72
Carriage and freight	1,273.78	944.94
Payments to auditors (Refer Note (i) below)	3.75	3.75
Directors' Fees	3.90	-
Bad debts/Advances Written Off	546.63	162.91
Selling & Distribution Expenses	3,617.37	2,857.19
Miscellaneous expenses	1,268.72	916.35
	<u>10,968.27</u>	<u>9,181.42</u>
(i) Auditors' remuneration and expenses		
Audit fees	3.10	3.10
Tax audit fees	0.65	0.65
Fees for other services	-	-
Reimbursement of out-of-pocket expenses	-	-
	<u>3.75</u>	<u>3.75</u>



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