

A large graphic of interlocking puzzle pieces covers the middle section of the cover. The pieces are arranged in a wavy pattern, with some pieces being solid olive green and others being white with a grey outline. The text "Annual Report 2015-2016" is centered within the green pieces.

Annual Report 2015-2016

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 filledInks
- Printing Inks, Flexo and Gravure
- Adhesives
- Resins





Corporate Information

Board of Directors

(As on 30th May, 2016)

Chairman and Managing Director

Mr. Narrindra Suranna

Whole-Time-Directors

Mr. Rajesh Kumar Kothari

Dr. P.R.Mukherjee

Non- Executive Independent Directors

Mr. Nirmalendu Guha

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 (Union Territory)

Dadra I & II (Union Territory)

Surangi, Silvassa

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 Auditors

M/s B. Mukherjee & Co.

Chartered Accountants

Internal Auditors

M/s D K D & Associates

Chartered Accountants

Cost Auditors

M/s D. Sabyasachi & Co.

Cost Accountants

Secretarial Auditors

Mr. Ashok Kumar Daga

Practicing Company Secretary

Bankers

State Bank of India

Axis Bank

Dena Bank

Ratnakar Bank

Standard Chatered Bank

Federal Bank

HDFC Bank

DBS Bank

ICICI 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.co

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Board of Directors

Narrindra Suranna

Mr. Narrindra Suranna, aged around 54 years, is a B.Com (Hons.), and L.L.B from Calcutta University. He has done his MBA from Harvard University (correspondence course). 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.

Nirmalendu Guha

Mr. N.Guha, aged about 83 years, an engineer by profession, has been associated with the Company in the capacity of Independent Director of the Board. Mr. Guha has received his engineering degree from India and UK. His qualification include M.Tech (P.Eng & Mgt.), C.Eng, FIE (India), FI Plant E (UK), Hon FIPE, MMFI. Mr. Guha has wide experience in the Corporate world and has held distinguished positions in prestigious companies. He has remained Vice – Chairman and Managing Director of IFB Agro Industries and Chief Executive – MD and CM of Tea Trading Corporation of India.

Rajesh Kumar Kothari

Mr. Kothari, aged about 52 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 71 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 60 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 on the Board of Kkalpana in September, 2014 as an Independent Director.

Mamta Binani

Mrs. Binani, aged about 44 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 currently holds the post of President of ICSI. She is holding various honorary positions at Kolkata and also serves Independent Directorship in various Companies. She Joined on the Board of Kkalpana in September, 2014 as an Independent Director.



Chairman's Statement



Dear Shareholders,

I extend to each and every one of you a warm welcome to the 31st Annual General Meeting of your Company and once again take this opportunity to present the financials of your company. The Annual Report together with the Audited Accounts and the Directors' Report for the year ended 31st March, 2016, have been with you for quite some time. I hope it gives you a clear idea of working of the Company during the year under review.

The Company achieved net revenue of Rs. 1876 Crores for the year 2015-2016 as against Rs. 1729 Crores in the previous year. Profit before exceptional items and tax is Rs. 43 Crores, as compared to Rs. 32 Crores in the previous year.

The Global microeconomic environment continues to be in a state of flux with recession in key developed economies, soft commodity prices, geo-political tensions and volatility in global financial markets, causing uncertainty and trepidation. Even then, your company reported increase in operating margin compared to the previous year. The polymer prices remain at affordable level. It is expected that they will remain range bound in coming years.

As mentioned in earlier reports, in its drive towards the strategic expansions, your Company has commissioned a new production unit at Surangi, with capacity of handling 200,000 TPA of its products. This unit is spread over an area of approximately 56000 square metres and having FSI available to the extent of 500,000 square metres for construction. The production capacities of Bhiwadi and Daman units have been shifted to Surangi unit. The new unit produces various grades of Compounds which include XLPE, HFFR, Filled PP for furniture & appliances, Filled PE Compounds for antifab used for Woven Sack, White & Black Master Batches, Rigid and Flexible PVC Compound used for Cable insulation,

Footwear & Pipe jointing and other value added compositions like Zero Halogen Fire Retardant Compound and Engineering Plastics. Your company has also installed machineries at Surangi to produce HV & EHV insulation Compound. This will establish your Company in the league of very few top notch players in the world. Your Company also has many expansion projects in pipeline for catering to the untapped regions to enlarge geographic footprint in various parts of the country and abroad.

Today, your Company has one of the strongest operating matrix in the Plastic industry in India. With its cost competitiveness, quality products, a robust marketing distribution system and extensive network, your Company has re enforced its formidable brand image.

Your Company has taken timely and adequate steps in the area of its finance to ensure healthy leveraging and availability of adequate financial resources to meet its growing aspirations.

Your Directors have not recommended any dividend for the year under review due to increased working capital requirement in the year 2016-17.

Lastly, I sincerely wish to thank my colleagues on the Board, the dedicated Management team and employees at all levels for their unflinching support. I would also like to thank the Company's shareholders, distributors, vendors and financial institutions for their unstinted support.

With Best Regards,

Narrindra Suranna
Chairman & Managing Director
Date 30th May, 2016
Kolkata

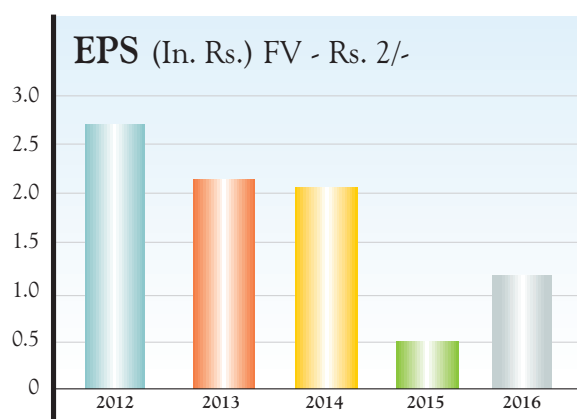
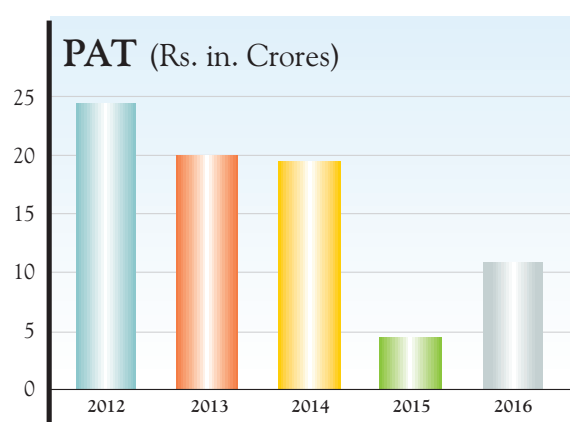
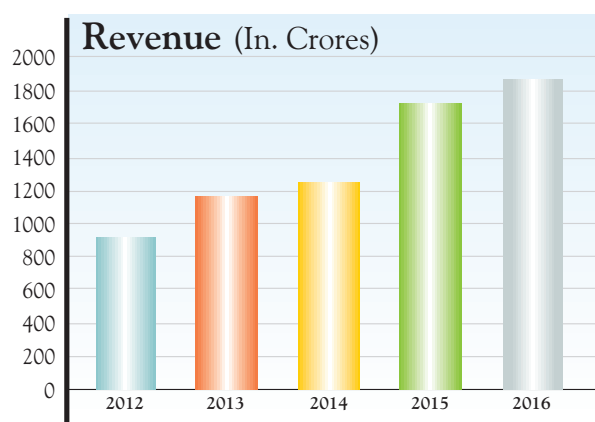


Vision

*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:	2012	2013	2014	2015	2016
Net Revenue	913.23	1180.09	1245.58	1729.26	1876.58
PAT	24.24	19.97	19.48	04.41	11.39
EPS (Rs.)	2.60	2.12	2.07	0.47	1.21
Net Worth	197.58	214.91	229.08	230.31	241.75
Dividend (%)	22%	12%	12%	0	0



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the 31st (Thirty-first) Annual General Meeting of the Members of KKALPANA INDUSTRIES (INDIA) LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Thursday, the 29th day of September, 2016, at 12.15 P.M. to transact the following Businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, 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 Mr. Rajesh Kumar Kothari (DIN –02168932), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

4. **Ratification of Remuneration payable to the Cost Auditors of the Company for the Financial year ended March 31, 2017**

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 ratifies the remuneration of Rs.40000/- plus service tax and out-of-pocket expenses 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, 2017.

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. **Determination of fees to be charged for Service of documents to members through any particular mode.**

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 20 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the members be and is hereby accorded to charge such fees as are set out in the statement annexed hereto, for service of documents through a particular mode.

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 Mr. Rajesh Kumar Kothari 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, 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 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. Rajesh Kumar Kothari (DIN – 02168932) as Whole-Time-Director of the Company, for another period of 5 (Five) years with effect from 12th August, 2016, 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. Rajesh Kumar Kothari 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. Kothari 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."

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

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

Date: 30th Day of May, 2016
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 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. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING.

2. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
3. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
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 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 at the 31st AGM by electronic means 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").

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. 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 Friday, 23rd **September, 2016 (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. The facility for Ballot Voting will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. 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. Instructions and other information relating to remote e-voting are given in the notice under note no.17. 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.
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 Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (both days inclusive).
11. The Notice of 31st AGM, details and instructions for remote e-voting and the Annual Report of the Company for the year ended 31st March, 2016 is 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 Participants for communication purposes unless any member has requested for a hard 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.

12. 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.
13. Members, holding Shares in Demat mode are requested to notify the change in their address / bank account details to their respective Depository Participant(s) (DPs).
14. 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.
15. Dividend for the financial year ended 31st March, 2009, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government ('IEPF') on 21st October, 2016, 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 20th October, 2016.

Members, who are yet to encash their dividend warrants for the financial year 2008-09 or any subsequent financial years, are requested to 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.

16. 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.

17. Process and manner for members opting for remote e-voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper or polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 26th September, 2016 (9:00 a.m) and ends on 28th September, 2016 (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 23rd September, 2016, 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.

V. 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

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 :

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

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

VI. 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.

VII. 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.

VIII. 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).

- IX. 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 23rd September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23rd September, 2016, 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.
- XI. 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.
- XII. 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.
- XIII. 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.
- XIV. 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.
- XV. 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.
- XVI. 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.
18. The Resolutions shall be deemed to be passed on the date of Annual General Meeting, subject to receipt of sufficient votes.
19. 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.
20. A route map along with prominent landmark for easy location to reach the venue of AGM is annexed to the Notice.
21. 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:-

**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. Rajesh Kumar Kothari (DIN 02168932)
Date of Birth	05.06.1964
Date of Appointment on the Board	11.08.2011
Qualification	Graduate (B.Com)
Expertise	Mr. Kothari has more than 25 years of experience in the areas of marketing, after sales service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He joined Kkalpana in the year 1997.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)#	None
Memberships / Chairmanships of Committees across all companies	None
Shareholding in the Company	NIL
Relationship with other Directors	NIL

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

* Mr. Rajesh Kumar Kothari, Whole Time Director is a non rotational Director as per his terms of appointment. However, in order to comply with the provisions of Section 152 of the Companies Act, 2013, his position is liable to retire by rotation.

REQUEST TO MEMBERS

Members desirous of getting Information / Clarification on the Accounts and Operations of the company or intending to raise any query are requested to forward the same at least 10 days in advance of the meeting to the Company Secretary at the office address so as the same may be attended appropriately.

Registered Office:
2B Pretoria Street
Kolkata-700 071

30th May, 2016
Place: Kolkata

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

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 2016-17.

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. 40,000/- plus applicable service tax, payable to the Cost Auditors has to be ratified by the shareholders of the Company.

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, 2017.

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

In accordance with the provisions of Section 20 of the Companies Act, 2013 read with the relevant provisions of the Companies (Incorporation) Rules, 2014, a member may request for delivery of any documents, notices and other correspondences through a particular mode, in consideration of such fees as may be determined by the shareholders in the Annual General Meeting.

Accordingly, Board has recommended to charge the following fees for delivery of any documents, notices and other correspondences through a particular mode, subject to the approval of the Shareholders;

Sl. No	Name of Documents	Fees to be paid (Amt. in Rs.)
1	Memorandum and Articles of Association	Rs. 200/-
2	Annual Report	Rs. 200/-
3	Notices of AGM / EGM	Rs. 100/-
4	Other correspondences	Rs. 50/-

As such, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business under Item No. 5 of the Notice for fees to be paid by the members of the Company for delivery of notices, documents and other correspondences through a particular mode.

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. 6

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 30th May, 2016, approved re-appointment of Mr. Rajesh Kumar Kothari (DIN – 02168932) as Whole-Time- Director of the Company for a period of 5 (Five) years with effect from 12th August, 2016, on the following main terms and conditions:

- The appointment shall be for a period of five years commencing from 12th August, 2016 as Whole – Time Director.
- As Whole time Director, Mr. Kothari 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.
- In consideration of the performance of his duties to the Company, Mr. Kothari shall be entitled to the following remuneration:
 - Remuneration:
Salary of Rs. 1,78,571/- (Rupees One Lac Seventy Eight thousand five hundred and seventy one) per month.
 - Perquisites:
 - One month's salary as Bonus 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.
- D. Yearly Increase:
Such increase as recommended by Nomination and Remuneration Committee and approved by the Board of Directors.
4. 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.
5. 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. Kothari 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. Rajesh Kumar Kothari as Whole – Time- Director of the Company and payment of remuneration to him.
- The Board of Directors recommends the Special Resolution, being Item No. 6 of the Notice convening this AGM, for approval of the members.

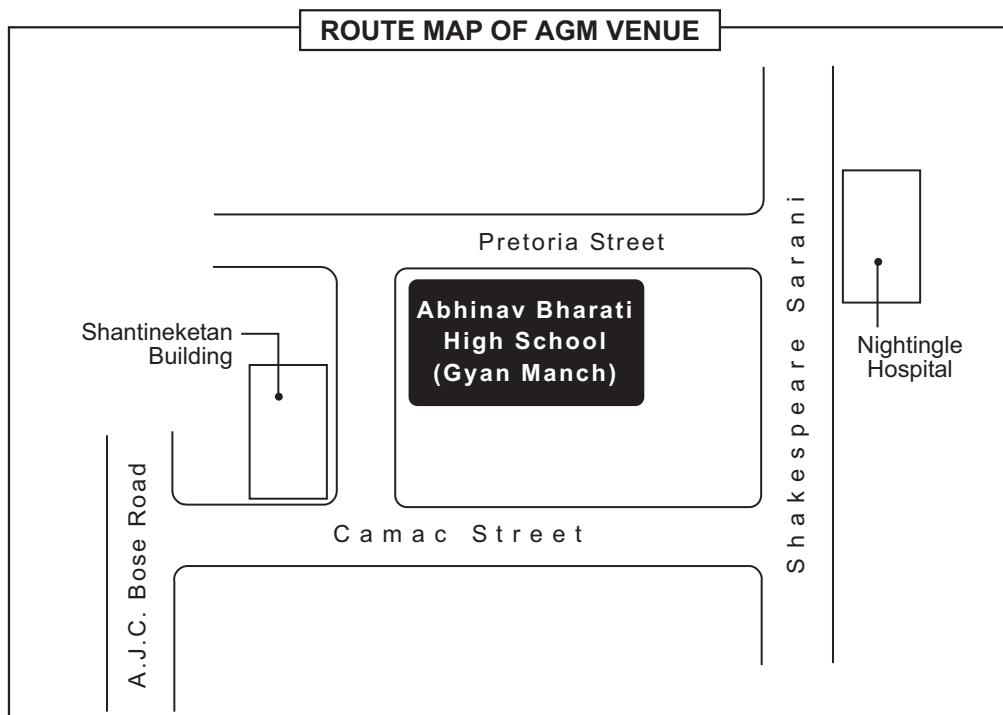
Save and except Mr. Rajesh Kumar Kothari (DIN 02168932), none of the Directors and Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financial or otherwise in the aforesaid resolution except to the extent of their shareholdings in the Company. The 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 May, 2016
Place: Kolkata

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



Directors' Report

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 31st Annual Report together with the Audited Statement of Accounts of **Kkalpana Industries (India) Limited** ("the Company") for the year ended March 31, 2016.

SUMMARIZED FINANCIAL RESULTS (STANDALONE)

	(₹ In Lacs)	
	2015-2016	2014-2015
Net Turnover and other Income	187657.88	172906.07
Profit before Depreciation, Interest & Tax	10925.19	8980.54
Less : Depreciation	1448.92	2123.41
Interest	5104.62	3578.93
Profit before Tax	4371.65	3278.19
Less: Exceptional Item	2668.98	2471.67
Less : Provision for Tax	563.32	365.20
Profit After Tax	1139.35	441.33
Add: Profit brought forward from previous year.	11840.90	11718.56
Less: Impact of depreciation as per schedule II of Companies Act, 2013	0	319.02
Amount Available for Appropriation	12980.23	11840.90
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	12980.23	11840.90

Dividend

Taking into consideration, increased working capital requirement and substantial increase in operation in the year 2016-17, your directors do not recommend any dividend in respect of financial year ended 31st March, 2016.

Operations and State of Company's Affairs

During the year under review, your Company achieved total revenue of ₹ 1876.58 Crores as against total revenue of ₹ 1729.06 Crores in the previous financial year ended 31st March, 2015. The Profit after Tax is ₹ 11.39 Crores as against ₹ 04.41 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. During the year under review the Company has booked ₹ 26.68 Crores on account of loss of assets destroyed by fire.

Transfer of Amount to Investor Education and Protection Fund

Dividend for the financial year ended 31st March, 2009, which remains unpaid or unclaimed for a period of seven years, will be due for transfer to Investor Education and Protection Fund (IEPF) in the month of October, 2016. Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2009 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.30.09.2015), 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, 2016, 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 ₹ 11.39 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 towards development of Products that have wide industrial applications, particularly in cable, piping, packaging and footwear industries.

Insurance

The Company's plants & machineries, factories and movables are adequately insured against various risks.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Kumar Kothari, Whole Time Director (DIN -02168932) of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Further, the Board, on the recommendation of Nomination & Remuneration Committee approved the reappointment of Mr. Rajesh Kumar Kothari as Whole Time Director for a period of five years w.e.f 12th August,2016, subject to the approval of the members. Accordingly, approval of the members is sought for reappointment of Mr. Kothari as Whole Time Director for a period of five years effective from 12th August, 2016 in the forthcoming AGM.

The Company has received declarations from all the independent Directors of the Company confirming that they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act,2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a Nomination and Remuneration Committee (NRC) and the details of the Committee and terms of reference of the NRC charter are set out in the Corporate Governance Report, which is part of the Board's Report.

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 SEBI Listing Regulations.

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.

The Company has also organized a familiarization programme for the Independent Directors as per the requirement of the Companies Act, 2013 along with the requirement of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Suitable resolutions for appointment / reappointment of Directors, as referred above, will be placed for approval of the members in the forthcoming Annual General Meeting. The brief resume and other information of the concerned directors, in terms of the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been detailed in the notice convening the forthcoming Annual General Meeting.

None of the Independent Directors are due for reappointment.

Board meetings

The Board met seven 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 of 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 reappointed. The Audit Committee and the Board of Directors recommends the re-appointment of M/s. B.Mukherjee & Co., Chartered accountants, as the Auditors of the Company upto the conclusion of next 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 2016-2017.

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 2016-17. 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 2015-16. The report of the Secretarial Auditors for the Financial Year 2015-16 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 on the Company's website www.kkalpanagroup.com. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company constituted a CSR Committee consisting of four Directors, as under:-

- | | |
|-------------------------|---------------------------------|
| a. Mr.Narrindra Suranna | Managing Director |
| b. Mr. R.K.Kothari | Whole Time Director |
| c. Dr. P.R.Mukherjee | Whole Time Director (Technical) |
| d. Mr. Nirmalendu Guha | Independent Director |

The composition, terms of reference, etc.of the CSR committee are laid out in the Corporate Governance Report which forms part of this Annual Report.

The CSR Committee is of the view that any expenditure, in the relevant areas, becomes beneficial to the society in general. For this purpose, the committee has identified two personnel (Senior Staff of the Company) who would advise on the matter pertaining to social tenability of amount spent so that the same has desired effect on the Socio Economy. Under the circumstances, your directors are constraint to put on record that no amount towards Corporate Social Responsibility was spent in financial year 2015-16. But, it has begun work in right earnest in the current year i.e. 2016-17.

Related party transactions

The Company has formulated a 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

None of the company has become or ceased to become the Subsidiary or Joint venture of the Company during the financial year under review. However, the Company has one Associate company, the details as required under Section 129(3) of the Companies Act, 2013 are given in Form AOC- 1 and forms part of the report as 'Annexure – 2'.

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 manufacturer 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 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.

During the financial year 2015-16, no complaint of sexual harassment has been received by the Company.

Board Evaluation

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 such as 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 throughout the year or part of the year, was in receipt of salary in excess of the limit set out in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Therefore, no 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, form part of this report as 'Annexure 3'

Extract of Annual Return

Pursuant to section 92(3) 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 as 'Annexure 4'.

Vigil mechanism

Pursuant to the requirement of the Act, 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.

Credit Rating

The Company has been rated by Credit Analysis & Research Limited (CARE) for its banking facilities. During the year, CARE has upgraded their ratings from BBB+ to A- for Long Term Banking facilities and from A2 to A2+ for Short Term Banking facilities.

Share Capital

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 1881.46 lacs. There has not been any change in the Equity Share Capital of the Company during the year under review. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

Green Initiatives in Corporate Governance

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices, etc. to the e-mail IDs of shareholders. Your Company has accordingly arranged to send the soft copies of these documents to the e-mail IDs of shareholders 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. They are also sent in hard copies to those shareholders whose email ids are not registered.

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 Staffs 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 '5'**.

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 '6'**.

Corporate Governance

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2016, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a 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 '7'**

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

Place: Kolkata
Date: 30th May, 2016

Narrindra Suranna (DIN : 00060127)
Chairman & Managing Director

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST, MARCH, 2016.

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

To,
The Members,
KKALPANA INDUSTRIES(INDIA)LIMITED,
2B, Pretoria Street,
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, 2016 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, 2016, 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.
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) for the period from April 1, 2015 to November 30, 2015; and
 - (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from September 2, 2015 to March 31, 2016.

The Company has entered into fresh listing agreements with Bombay Stock Exchange Limited and Calcutta Stock Exchange Ltd. as per 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 or made provisions at least two percent of the average net profits made during immediately preceding years, in pursuance of its Corporate Social Responsibility Policy, pursuant to Sec. 135(5) of the Companies Act, 2013.
- (ii) The company has published Audited Financial Result for the year ended 31st March, 2015, on 27th June, 2015, which is beyond the limit specified under erstwhile Clause 41 of the Listing Agreement.

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 change 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.

Place: KOLKATA
Date: 30.05.2016

ASHOK KUMAR DAGA
FCS -2699, C P No: 2948

AOC – 1**Part "B": Associates and Joint Ventures**

Statement containing salient features of Subsidiaries/Associate Companies / Joint Ventures pursuant to first proviso to sub section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014.

	Name of Associates	KKALPANA PLASTICK LIMITED
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Shares of Associate held by the company on the year end	
	i. Number	2002920
	ii. Amount of Investment in Associates (₹ 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
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ In lacs)	226.15
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation (₹ In lacs)	4.23

Annexure 3

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, 2016.

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	10.41 : 1
		Mr. R.K. Kothari, Whole Time Director	6.25 : 1
		Dr. P. R. Mukherjee, Whole Time Director (Technical)	5.67 : 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	8.33%
		Mr. R.K. Kothari, Whole Time Director	6.77%
		Dr. P. R. Mukherjee, Whole Time Director (Technical)	6.25%
		Mr. I.C. Dakalia, Chief Financial Officer	No Change
		Mr. A .B. Chakrabarty, Company Secretary	37.05%
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 9.87%.	
4	The number of permanent employees on the rolls of Company	There were 255 Employees as on 31.03.2016.	
5	The explanation on the relationship between average increase in remuneration and company performance.	The increase in remuneration is based on Company's performance and also includes various other factors like individual performance, experience, academic background, industry trend etc. All these factors are considered appropriately for revision of remuneration.	
6	Comparison of the remuneration of the KMP against the performance of the Company.	The turnover of the Company increased by 8.50% and profit after tax increased by 158.16%. The ratio of remuneration of KMP with the Company's total income is 8.45%.	
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.	<p>The market capitalization as on March 31,2016 was ₹ 229.06 crores whereas the same was Rs.148.54 crores as at 31st March,2015.</p> <p>The price earnings ratio of the Company was 20.12 as at 31st March, 2016 and was 33.60 as at 31st March, 2015.</p> <p>The last initial Public offer (IPO) was made in the year 1993 at a price of ₹ 15/- per share of face value of ₹ 10/- each. The Company Sub divided the face</p>	

		value of its equity shares from ₹ 10/- to ₹ 2/- in the year 2015. The closing price of the Company's equity shares on BSE as of 31st March, 2016 was ₹ 24.35. The growth in share price of the Company in last 23 years is 12.32%.
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.	Average salary increase of non-managerial employees is 13.19%. Average salary increase of managerial employees is 14.60%. There are no exceptional circumstances for increase in the managerial remuneration.
9	The key parameters for any variable component of remuneration availed by the directors.	The key parameters for the variable component of remuneration availed by the directors, if any, are considered by the Board based on the recommendations of Nomination and Remuneration Committee as per Remuneration Policy for Directors, KMP and other employees.
10	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	The turnover of the Company increased by 8.50% and profit after tax increased by 158.16%. The ratio of remuneration of KMP with the Company's total income is 8.45%.
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.	Not Applicable
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.

Annexure 4**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

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 Tel : 91-33-2282 3744 / 3745, E mail : kolkata@kkalpana.co.in Fax : +91-33-2282 3739, 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	54%
2.	PVC Compound	20131	21%
3.	Others	20131	25%

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.	Kkalpana Plastick Limited 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 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporate	6585345	8015500	14600845	15.52	12212840	2347195	14560035	15.48	-0.04
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	4820865	2543645	7364510	7.83	4983059	2205610	7188669	7.64	-0.19
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	2238985	0	2238985	2.38	2575357	0	2575357	2.74	0.36
c) Others (specify)									
c)(i) Non-Resident Individuals	175510	335500	511010	0.54	120032	332000	452032	0.48	-0.06
c)(ii) Clearing Members	85205	0	85205	0.09	24462	0	24462	0.03	-0.06
SUB TOTAL (B)(2):	13905910	10894645	24800555	26.36	19915750	4884805	24800555	26.36	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	13905910	10898645	24804555	26.37	19915750	4888805	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)	83174285	10898645	94072930	100.00	89184125	4888805	94072930	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% 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	505	0.0005	0.00	75505	0.08	0.00	0.079
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	Dalam Chand Surana	75000	0.0797	0.00	0	0	0.00	-0.079
6	Shyambaba Trexim Pvt. Ltd.	15551680	16.5315	0.00	15551680	16.5315	0.00	0.00
7	Sri Ram Financial Consultants Pvt. Ltd.	44785170	47.6069	0.00	44785170	47.6069	0.00	0.00
8	Inbara Holdings Pvt. Ltd.	7250000	7.7068	0.00	7250000	7.7068	0.00	0.00
9	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 01.04.2015)		Cumulative Share holding during the year (As on 31.03.2016)	
		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 01.04.2015		Transactions during the year		Shareholding as on 31.03.2016	
		No. of Shares	% of total shares of the company	Purchase	Sale	No. of Shares	% of total shares of the company
1.	Subh Labh Vintrade Private Limited	7750000	8.238	0	0	7750000	8.238
2.	Jaqua Industries & Sales Co. Private Limited	4590135	4.879	0	0	4590135	4.879
3.	Isana Green Ventures Limited	1068170	1.135	0	0	1068170	1.135
4.	Parmar Dilipsinh Himnatsinh	888050	0.943	138737	124850	901937	0.946
5.	Meghdoot Arvind Thakkar	245000	0.26	342166	0	587166	0.62
6.	Dattatraya Shankar Borgaonkar	55435	0.06	291168	0	346603	0.37
7.	Kedar Dattatraya Borgaonkar	333640	0.35	0	0	333640	0.35
8.	Misrilal Mines Private Limited	250000	0.27	0	0	250000	0.27
9.	Dr. Ramesh Chimanlal Shah	250500	0.27	0	58775	191725	0.20
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	
	Pranab Ranjan Mukherjee, WTD (Technical)	0		0	
	Nirmalendu Guha, NED & ID	0		0	
	Ramakant Mishra, NED & ID	0		0	
	Mamta Binani, NED & ID	0		0	
	I.C.Dakalia, CFO	0		0	
	A.B.Chakrabarty, Company Secretary	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	43908.91	1891.30	0.00	45800.21
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	73.10	0.00	73.10
Total (i+ii+iii)	43908.91	1964.40	0.00	45873.31
Change in Indebtedness during the financial year				
• Addition	339847.58	1142.59	0.00	340990.17
• Reduction	350405.10	121.28	0.00	350526.38
Net Change	(10557.52)	(1021.31)	0.00	(9536.21)
Indebtedness at the end 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

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	31.20	18.76	17.00	66.96
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)	31.20	18.76	17.00	66.96
	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	1.40	0.80	3.30
	Total (1)	1.10	1.40	0.80	3.30
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	1.40	0.80	3.30
	Total Managerial Remuneration				70.26
	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	15.00	11.00	26.00
	(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 (A)	15.00	11.00	26.00

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)	Appeal 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					

ANNEXURE '5'

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, 2016.

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 use 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 for 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	41690.30	31396.29
Total Foreign Exchange used	49737.85	48593.20

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

A. Power and Fuel Consumption	Unit	FY 2015-16	FY 2014-15
1. Electricity			
a) Purchased			
Unit	KWH	34546816	32477534
Total amount	₹	181129739	193370682
Rate / Unit	₹ / KWH	5.24	5.95
b) Own generation (through diesel generator)			
Unit	KWH	43024	632706
Total amount	₹	788316	11705077
Rate / Unit (Average)	₹ / KWH	18.32	18.50
2. Coal			-
3. Furnace Oil			-
4. Other/Internal Generation			-
B. Consumption per unit of Generation	Unit	FY 2015-16	FY 2014-15
PVC, XLPE compounds & Master Batches & Agglomerates			
Net saleable production	MT	193161.03	184756.35
Electricity	KWH / TON	179.07	179.21

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.
- Horizontal and vertical expansion of Company's product profile.
 - New & Improved Product Development.
 - 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 program.
- Import Substitution
 - Increased Market share for various products.
 - Better market penetration of various products.
 - 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, 2016	FY ended 31st March, 2015
Capital	336.13	225.94
Recurring	16.86	12.89
Total R & D Expenditure	352.99	238.83

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

Place: Kolkata

Date: 30th May, 2016

Narrindra Suranna (DIN : 00060127)

Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL OVERVIEW

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.

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies. The world gross product was projected to grow by a mere 2.4 per cent in 2015, marking a downward turn from the 2.8 per cent forecast in the *World Economic Situation and Prospects as of mid-2015* (United Nations, 2015a). The growth rates of gross fixed capital formation and aggregate demand continue to remain subdued. The world economy is projected to grow by 2.9 per cent in 2016 and 3.2 per cent in 2017, supported by generally less restrictive fiscal and still accommodative monetary stances worldwide. The anticipated timing and pace of normalization of the United States monetary policy stance is expected to reduce policy uncertainties, while preventing excessive volatility in exchange rates and asset prices. While the normalization will eventually lead to higher borrowing costs, rising interest rates should encourage firms to front-load investments in the short run. The improvement in global growth is also predicted on easing of downward pressures on commodity prices, which should encourage new investments and lift growth, particularly in commodity-dependent economies.

INDIAN SCENARIO

The **Economy of India** is the seventh Largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity (PPP). The country is classified as a newly industrialised country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.6% in 2015-16 and expected to grow 8.0%+ in 2016-17.

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. One of the primary focus area of the Central Government's development plan is railways, with over Rs. 800,000 Cr as promised investment over the period of 2015-2020.

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 superior to industry average. Kkalpana has been able to develop a number of products for domestic and international market 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 us to penetrate

markets across the globe and help us to retain and expand our customer base in the times of intensified competition. Your Company has also continued efforts to reach new industrial segments. By introduction of Printing Ink and Adhesives, it has entered print and packaging segments. Unit at Kolkata has attained remarkable success in launching these products and has gain acceptability in Eastern India and also in Bangladesh and Nepal.

COMPANY'S PERFORMANCE

A. Financial Performance for 2015-16:-

- Gross turnover for the year is ₹ 1876 Crore against ₹ 1729 Crore in 2014 – 15.
- PBIDT for the year ₹ 109.25 Crore as against 89.81 Crore in 2014-15.
- Profit before Tax for the year ₹ 43.71 Crore against ₹ 32.78 Crore in 2014-15.
- Capital Structure of the Company as at 31st March 2016 is ₹ 18.81 Cr comprising of 94072930 nos. of equity shares of ₹ 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 ₹ 42758.46 lacs as against ₹ 36493.84 lacs in the previous year.

PE Compounds

Turnover from PE compound is ₹ 107136.20 lacs in the year under review as against ₹ 120362.74 lacs in the previous year.

Agglomerates, Reprocessed Granules & Scraps

Turnover from these items is ₹ 50650.46 lacs as against ₹ 28171.82 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 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 degrees and forms. 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 with suitable steps to enhance scope of its operation. 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 constantly under margin pressure. Lower volumes and prices in the domestic and global markets will have an impact on the Company's revenues and profits. 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. Further, new product launches will aid in stabilizing cash flows.

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

Your Company's export turnover for the year under review is ₹ 42370.19 Lacs. This factor exposes your company to foreign exchange rate fluctuations. Even though, your company takes step for hedging, financial risk arising out of exchange rate fluctuation remain.

Any upward revision in interest rate, in future, will 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 anticipate the 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 their 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.

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 2015-16 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. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements.

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

The Institute of Company Secretaries of India (ICSI), 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.

Hope, by the way of transparency in corporate management and reporting practices, this will make a value addition.

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, 2016, the Board comprises of 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		
			Board Meeting	Last AGM	Other Directorships**	Committee Memberships#	Committee Chairmanships#
Mr. Narrindra Suranna	Chairman & Managing Director	Executive & Promoter	7	Yes	-	-	-
Mr. R.K.Kothari	Whole Time Director	Executive	5	Yes	-	-	-
Dr. P. R. Mukherjee	Whole Time Director (Technical)	Executive	6	Yes	-	-	-
Mr. Nirmalendu Guha	Director	Non Executive & Independent	7	Yes	Damodar Ropeways & Infra Limited	-	1
Mr. Ramakant Mishra	Director	Non Executive & Independent	7	Yes	-	-	-
Mrs. Mamta Binani	Director	Non Executive & Independent	6	Yes	GPT Infraprojects Limited Century Plyboards (India) Limited Anmol Biscuits Limited Emami Cements Limited Magma Housing Finance Skipper Limited	3	1

** Directorship includes only Public Companies.

Committees includes Audit Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholders Relationship Committee.

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.

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 2015-2016, 7(Seven) meetings of the Board were held and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

Sl.No	Date	Sl.No	Date
1	27.06.2015	5	14.11.2015
2	14.08.2015	6	11.02.2016
3	08.10.2015	7	12.03.2016
4	17.10.2015 (Adjourned Meeting)		

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 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.

A separate meeting of the Independent Directors was held on 10th March, 2016 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 Program

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.

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 to this report.

Shareholdings of directors as on 31.03.2016 are as under:

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

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, 2016, 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 Regulations.

The CEO, CFO, the 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 Regulations 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) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance 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 27.06.2015, 14.08.2015, 14.11.2015 and 11.02.2016. The Composition of the Committee and the attendance at each Committee Meetings are as follows :-

Name of Director	Category	Attendance of Directors			
		27.06.2015	14.08.2015	14.11.2015	11.02.2016
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	Yes	No	No	Yes

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 Nomination and Remuneration Committee of the Board was reconstituted during the year. 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.

Composition, names of members and attendance during the year

As of March 31, 2016, the Nomination & Remuneration Committee comprises of Three (3) members all of are Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director.

During FY 2015-16, the Nomination and Remuneration Committee met one (1) time i.e. on 12th March, 2016.

The composition and attendance of members at the meetings held during FY 2015-16, 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. Independent Non-Executive Directors receive sitting fees for attending Board and Committee Meetings.

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 on discussions in the course of the Board and Committee meetings of the Company. They also help 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	31,20,000	Nil	31,20,000
R.K.Kothari	Whole Time Director	Nil	18,76,000	Nil	18,76,000
Dr. P.R.Mukherjee	Whole Time Director	Nil	17,00,000	Nil	17,00,000
Nirmalendu Guha	Non Executive Independent Director	1,10,000	Nil	Nil	1,10,000
Ramakant Mishra	Non Executive Independent Director	1,40,000	Nil	Nil	1,40,000
Mamta Binani	Non Executive Independent Director	80,000	Nil	Nil	80,000

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:

- (i) Redressal of Shareholders'/Investors' complaints;
- (ii) Non-receipt of declared dividends, balance sheets of the Company; and
- (iii) Carrying out any other function as prescribed under in the SEBI Listing Regulations.

The Composition of the Committee are :

Shri Ramakant Mishra –Chairman

Shri R.K.Kothari – Member

Dr.P.R.Mukherjee - Member

The Committee meets 4 times in the year 2015-16.

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. A.B.Chakrabarty, Company Secretary & Compliance Officer. There were 19 meetings held during the year ended March 31, 2016.

The number of pending share transfers as on March 31, 2016 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, 2016, 1 investor's complaint was received and 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 programs 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 1 time i.e. on 12.03.2016 during the year 2015-16, 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 :**Annual General Meeting :**

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Resolution passed, if any.
2014-2015	30th September, 2015	10.00 A.M	Gyan Manch, 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	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Special Resolution under section 180(1)(a) and (c)
2012-2013	26th September, 2013	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	None

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

6.2 Postal Ballot: During the year under review two Special Resolutions under section 12 and 180(1)(a) of the Companies Act, 2013 were passed through Postal Ballot and the result was declared on 23rd December, 2015. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

6.3 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, 2016.

6.4 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 prescribed under the Companies Act, 2013 set out in Notes to financial statement no. 36, forming part of the Annual Report.

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 scrutinised and appropriate actions undertaken. It is also affirmed that no personnel has been denied access to the Audit Committee.

Discretionary Requirements as per Part E of Schedule II under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 subregulation (2) of regulation 46 of SEBI Listing Regulations, in the section on corporate governance of the annual report.

7.6 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, 2016. 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.

	Sd/-	Sd/-
Date : 30.05.2016	I.C. Dakalia	Narrindra Suranna (DIN : 00060127)
Place : Kolkata	Chief Financial Officer	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. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company (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 forwarded 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 Financial Results, shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.

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. Brief profile and other 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 given elsewhere in the Annual Report;-

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

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.

11 GENERAL SHAREHOLDERS INFORMATION :

(i) Annual General Meeting (AGM)

Day, Date & Time : Thursday, the 29th September, 2016 at 12.15 A.M.

Venue : Gyan Manch, 11- Pretoria Street, Kolkata – 700 071

(ii) **Date of Book Closure** : Friday, 23rd September, 2016 to Thursday, 29th September, 2016
(both days inclusive)

(iii) Financial Calendar for Year 2016-2017 (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30th June, 2016	} Within 45 days of the end of the quarter.
For the quarter & half year ending	30th September, 2016	
For the quarter & nine months ending	31st December, 2016	
For the quarter & year ending	31st March, 2017 (Audited)	} With in 60 days of the end of the Quarter/Year.

(iv) **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 2016-17 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 2016-17. The Company is in the process of delisting its shares from The Calcutta Stock Exchange Limited.

(v) 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, 2016, 83525820 shares representing 88.79% 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.

(vi) 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.co

(vii) 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 Regulation, 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.

(viii) 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.

One Investor's complaint / queries was received during the year under review and the same was resolved.

(ix) Unpaid / Unclaimed Dividend.

Pursuant to section 124 of the Companies Act, 2013, unpaid or unclaimed dividend upto the financial year 2007-08 have been transferred to the General Revenue Account of the Central Government.

The unpaid / unclaimed dividend for the financial year ended 31st March, 2009 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, 2009 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.30.09.2015), with the Ministry of Corporate Affairs.

(x) **Market Price Data :**

The shares of the company are currently traded at BSE. The Stock Market data from 1st April, 2015 to 31st March, 2016 are given below :

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex Highest	Sensex Lowest
April 15	129.10	80.00	29,094.61	26,897.54
May 15*	143.00	22.00	28,071.16	26,423.99
June 15	28.10	18.70	27,968.75	26,307.07
July 15	27.00	19.10	28,578.33	27,416.39
August 15	27.50	19.75	28,417.59	25,298.42
September 15	23.30	20.00	26,471.82	24,833.54
October 15	28.25	21.65	27,618.14	26,168.71
November 15	30.90	22.10	26,824.30	25,451.42
December 15	35.80	27.75	26,256.42	24,867.73
January 16	43.90	29.00	26,197.27	23,839.76
February 16	35.05	21.70	25,002.32	22,494.61
March 16	26.75	23.30	25,479.62	23,133.18

* With Effect From 22.05.2015, the face value of shares was reduced to ₹ 2/- per share.

(xi) **Distribution Schedule as on 31.03.2016**

Range of Shares	No of Share Holders	% of Total Share Holders	No of Shares	% of Total Share Holdings
1 to 500	5849	77.21	2392214	2.54
501 to 1000	805	10.63	758988	0.81
1001 to 2000	359	4.74	582415	0.62
2001 to 3000	192	2.54	495565	0.53
3001 to 4000	54	0.71	195212	0.21
4001 to 5000	80	1.06	389616	0.41
5001 to 10000	92	1.21	705761	0.75
10001 to Above	142	1.90	88553159	94.13
TOTAL	7573	100.00	94072930	100.00

(xii) **Share Holding Pattern as on 31.03.2016**

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	14560035	15.48
Indian Public	9764026	10.38
Non-Resident Indian	452032	0.48
Clearing Members	24462	0.03
Total Non Promoters Holdings	24804555	26.37
Total	94072930	100%

(xiii) 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.

(xiv) 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

(xv) 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.

(xvi) 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. They are also sent in hard copies to those shareholders whose email ids are not registered.

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.

(xvii) 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 ₹ 10/- to ₹ 2/- in the year 2015. Hence, Number of equity Shares at present is 94072930.

(xviii) 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 Socceity Ltd, Dhabel, Daman – 396210, India
3. **Dadra 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.

(xix)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, 2016.

Place : Kolkata
Date: 30.05.2016

For Kkalpana Industries (India) Limited
Sd/-
Narrindra Suranna (DIN : 00060127)
Chairman & Managing Director

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
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, 2016 as stipulated in Clause 49 of the Listing Agreement (Listing Agreement) of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 : 30.05.2016

For B.Mukherjee & Co
Chartered Accountants
Firm Registration No: 302096E
(B.Mukherjee)
Partner
Membership No.002941

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
KKALPANA INDUSTRIES (INDIA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Kkalpana Industries (India) Ltd** ("The Company"), which comprise the Balance sheet as at 31st March, 2016, and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the matters in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the Rules made thereunder.
4. We conducted our audit in accordance with the standards on auditing specified u/s 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 free from material mis-statements.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;

- (b) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- (c) In the case of Cash Flow Statement of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, based on the comments in the auditors report, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. 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 purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received,
 - (c) The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts and with the returns ;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Director, none of the directors are disqualified as on 31st, March 2016 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 company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
 - (g) With respect to 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 :
 - i. The Company has disclosed the impact of pending litigations on its financial positions in its financial statements in accordance with the generally accepted accounting practice-also refer Note 26 to the Financial Statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Protection Fund by the company.

FOR B. MUKHERJEE & CO.
 CHARTERED ACCOUNTANTS
 Firm Registration No. 302096E

B. MUKHERJEE
 PARTNER
 (Membership No. 002941)

Place: Kolkata
 Date: 30th May, 2016

Annexure A to the Independent Auditor's Report- 31st March 2016 (Referred to in our report of even date)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

(i) In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides a physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

(ii) In respect of its Inventory:

The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) In respect of Loans taken or granted:

In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) In respect of Loans to Directors and Investments by Company :

The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(v) In respect of Deposits :

According to the information and explanation given to us, the company has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Company has complied with the provisions of sections 74 and 75 or any other relevant provisions of the Companies Act. According to the information and explanation given to us, no Order has been passed by the Company Law Board, or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) In respect of Cost Records :

We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed Cost Records have been made and maintained. We have, however, not made a detailed examination of the Cost records with a view to determine whether they are accurate or complete.

(vii) In respect of whether the Company is regular in depositing its Statutory dues :

- a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues Provident Fund, Income tax, sales tax, Employees State Insurance, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanation given to us, no undisputed amounts payable in respect

of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no duties of Income Tax, Sales Tax, Value added Tax, service Tax, Duty of Customs, Duty of Excise which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In respect of Loans from Bank/Financial Institution :

According to the information and explanation given to us, the Company has not defaulted in repayment of dues to any Financial Institution, Bank or to Debenture holders during the year.

(ix) In respect of moneys raised by way of Initial Public Offer, Term Loans :

The Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) In respect of frauds on or by the Company :

To the best of our knowledge and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In respect of Managerial Remuneration as per section 197 (schedule V) :

According to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In respect of Nidhi Company :

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In respect of Transactions with the Related Parties :

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In respect of Preferential allotment or Private placement of shares :

To the best of our knowledge and according to the information and explanation given to us, there was no preferential allotment or Private placement of shares or fully or partly convertible Debentures during the year under review.

(xv) In respect of Non-cash transaction with Directors or persons connected with him :

To the best of our knowledge and according to the information and explanation given to us, there was no non-cash transaction with any Director or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In respect of registration under section 45-IA of the Reserve Bank of India Act, 1934 :

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302096E

B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 30th May, 2016

Annexure B to the Independent Auditor's Report- 31st March 2016

(Referred to in our report of even date)

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 31st March 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under 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 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 record that, in reasonable detail, accurately and fairly reflect the transaction and disposition 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 Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR B. MUKHERJEE & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 302096E

B. MUKHERJEE
PARTNER
(Membership No. 002941)

Place: Kolkata
Date: 30th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	Note	As at March 31st, 2016		As at March 31st, 2015	
EQUITY AND LIABILITIES					
Shareholder's Funds					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	22,447.25	24,328.71	21,318.51	23,199.97
Non-current liabilities					
Long-term borrowings	4	7,131.95		11,136.40	
Deferred tax liabilities (Net)	5	2,073.37		1,897.12	
Long-term provisions	6	42.41	9,247.73	3.24	13,036.76
Current liabilities					
Short-term borrowings	7	26,205.00		26,268.13	
Trade payables	8	13,394.16		6,052.84	
Other current liabilities	9	3,978.38		12,676.33	
Short-term provisions	10	732.57	44,310.11	(26.24)	44,971.06
TOTAL			77,886.55		81,207.79
ASSETS					
Non-current assets					
Fixed assets					
	11				
Tangible assets		20,577.53		16,743.94	
Intangible assets		25.01		17.94	
Capital work-in-progress		373.31	20,975.85	1,544.79	18,306.65
Non-current investments	12	260.92		253.60	
Long-term loans and advances	13	119.21	380.13	353.76	607.36
Current assets					
Inventories	14	10,007.87		12,939.56	
Trade receivables	15	37,382.77		23,653.63	
Cash and Bank Balances	16	2,777.69		3,654.39	
Short-term loans and advances	17	6,328.02		18,797.23	
Other current assets	18	34.23	56,530.57	3,248.98	62,293.78
TOTAL			77,886.55		81,207.79

Significant accounting policies

1

The accompanying notes form 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, 2016
Place : Kolkata

For and on behalf of the Board of Directors

Narrindra Suranna
(DIN 00060127)
Chairman and Managing Director

A. B. Chakrabarty
(Membership No. FCS 7184)
Company Secretary

Rajesh Kumar Kothari
(DIN 02168932)
Whole Time Director

Indar Chand Dakalia
Chief Financial Officer

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

(₹ in Lacs)

	Note	Year Ended March 31st, 2016	Year Ended March 31st, 2015
INCOME			
Revenue from operations	19	200,545.11	185,028.40
Less: Excise duty		14,774.16	13,710.26
Revenue from operations (net)		185,770.95	171,318.14
Other Income	20	1,886.93	1,587.93
Total Revenue		187,657.88	172,906.07
EXPENSES			
Cost of materials consumed	21	161,410.37	157,910.56
Changes in inventories of finished goods	22	4,198.38	(4,830.68)
Employee benefits expense	23	1,942.51	2,084.53
Finance costs	24	5,104.62	3,578.93
Depreciation and amortization expense		1,463.40	2,137.89
Less: Depreciation on amount added on revaluation		14.48	14.48
Other expenses	25	9,181.42	8,761.13
Total expenses		183,286.23	169,627.88
Profit before exceptional and extraordinary items and tax		4,371.65	3,278.19
Exceptional & extraordinary items		2,668.98	2,230.19
Loss On Impairment of Assets		–	241.48
Profit before tax		1,702.67	806.52
Tax expense:			
Current Tax Expenses		387.07	161.37
Deferred Tax		176.25	203.82
Profit for the year		1,139.35	441.33
Earnings per equity share: (Refer note no.28)		₹	₹
Basic		1.21	0.47
Diluted		1.21	0.47

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.**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No:302096E

Narrindra Suranna
(DIN 00060127)Rajesh Kumar Kothari
(DIN 02168932)**B. Mukherjee**
Partner

Chairman and Managing Director

Whole Time Director

Membership No.002941

A. B. Chakrabarty
(Membership No. FCS 7184)Indar Chand Dakalia
Chief Financial Officer

Date : 30th May, 2016

Place : Kolkata

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended March 31st, 2016	Year Ended March 31st, 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra Ordinary Items	4,371.65	3,278.19
Add: Depreciation	1,463.40	2,137.88
Profit on sale of Fixed Assets	(487.68)	19.74
Finance Costs	5,104.62	3,578.94
	<u>6,080.34</u>	<u>5,736.56</u>
	10,451.99	9,014.75
Less: Interest Income	–	197.67
Revaluation Reserve	14.48	14.48
Effect of Transitional Provision	–	319.02
Change in Foreign Currency Translation Difference	(3.88)	0.87
	<u>10.60</u>	<u>532.04</u>
Operating Profit before Working Capital Changes	10,441.38	8,482.71
Adjustment for:		
Trade and Other Receivables	(950.80)	1,263.24
Long Term Loans & Advances	234.55	–
Inventories	2,931.69	405.59
Trade payables and other liabilities	(945.73)	3,219.42
	<u>1,269.72</u>	<u>4,888.25</u>
Cash Generated before Extra Ordinary Items	11,711.10	13,370.96
Extra Ordinary Items	2,668.98	–
Cash Generated from Operations	<u>9,042.12</u>	<u>13,370.96</u>
Direct Tax paid (net of refunds)	309.13	186.96
Net Cash Generated from Operating Activities (A)	<u>8,732.99</u>	<u>13,184.00</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible/intangible assets/Assets destroyed by fire	(4,211.97)	(3,718.02)
Sale of fixed assets	3,704.04	27.13
Purchase of Investments	(7.32)	–
Interest Received	77.75	131.83
Net Cash Generated from Investing Activities (B)	<u>(437.50)</u>	<u>(3,559.06)</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	(4,004.45)	(5,615.16)
Non Current Investments	–	–
Short Term Borrowings (net)	(63.12)	1,434.40
Interest Paid	(5,104.62)	(3,578.94)
Dividend Paid (Including Tax on Dividend)	–	(264.15)
Net Cash Generated from Financing Activities (C)	<u>(9,172.19)</u>	<u>(8,023.85)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(876.70)	1,601.09
Cash and cash equivalents at the beginning of the year	3,654.39	2,053.30
Cash and cash equivalents at the end of the year	<u>2,777.69</u>	<u>3,654.39</u>

NOTES:

- 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
- Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- Cash and cash equivalents comprise of:

Cash on Hand	112.19	94.82
Balances with scheduled banks:		
- In Current Accounts	541.26	1,745.10
- In EEFC Accounts	250.74	58.80
- In Margin & Guarantee Deposit Accounts*	1,831.58	1,695.31
- In Unpaid Dividend Account*	41.92	60.36
	<u>2,777.69</u>	<u>3,654.39</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, 2016

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, 2016

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.

Insurance of Claim of ₹ 108.08 Crores received from Universal Sompo Insurance Company during the current year. The same has been adjusted against the insurance claim receivable of ₹ 134.77 Crores and remaining loss of ₹ 26.69 Crores recognised as an extraordinary item during the year.

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, 2016

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 amortized 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 except in case of long term liabilities, where they relate to acquisition of fixed assets, the same are carried to Reserve & Surplus under "Foreign Currency items Translation Difference Account" and will be amortized over a period of years as per "Accounting Standard-11"

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.

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 & Spare parts: Inventories are valued at cost or net realisable value whichever is

Notes to the Financial Statements for the year ended 31st March, 2016

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.

xvii) Accounting for Investment in Associates in Consolidated Financial Statement.

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 2015-16.

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

(₹ in Lacs)

Name of the Equity Particulars	Net Assets (i.e Total Assets minus Total Liabilities)			Share in Profit and Loss		
	Net Assets.	As a % age Net Assets	Amount	PAT	As a %age of Profit or Loss	Amount
Kkalpana Plastick Limited- Associate Company	62,422,284	36.23%	22,615,593	1,169,809	36.23%	423,822

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

2. SHARE CAPITAL

Authorised

	As at March 31st, 2016	As at March 31st, 2015
153,000,000 Equity Share of ₹ 2 Each (Previous Year : 3,06,00,000 Equity Shares of ₹ 10/-each)	3,060.00	3,060.00

Issued, Subscribed & Paid Up

940,72,930 Equity Share of ₹ 2 Each (Previous Year : 1,88,14,586 Equity Shares of ₹ 10/- each)	1,881.46	1,881.46
	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	18,814,586	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	18,814,586	1,881.46
Shares split during the year to 2* each	-	-	-	-
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
Sriram Financial Consultants Pvt. Ltd	44,785,170	47.61%	8,957,034	47.61%
Shyambaba Trexim Pvt. Ltd.	15,551,680	16.53%	3,110,336	16.53%
Subh Labh Vintrade Pvt. Ltd	7,750,000	8.24%	1,550,000	8.24%
Inbara Holdings Pvt. Ltd	7,250,000	7.71%	1,450,000	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 ₹ 2/- each (Earlier ₹ 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	5,214,586
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Notes to the Financial Statements for the year ended 31st March, 2016

			(₹ in Lacs)	
	As at		As at	
	March 31st, 2016		March 31st, 2015	
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	(266.08)		(266.95)	
Exchange Gain/(Loss) during the year	(111.03)		(186.03)	
Ammortization during the year	114.91	(262.21)	186.90	(266.08)
Revaluation Reserve				
Balance as at the beginning of the year	168.29		182.77	
Less: Depreciation arising out of revaluation	14.48	153.82	14.48	168.29
General Reserve				
Balance as at the beginning of the year	3,400.00		3,400.00	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	-	3,400.00	-	3,400.00
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	11,840.89		11,718.56	
Add: Adjustment for Depreciation as per Shedule II of Companies Act 2013.	-		(482.71)	
Add: Adjustment for Deferred Tax	-		163.69	
Add: Profit for the year	1,139.35		441.35	
	12,980.23		11,840.89	
Less: Appropriation				
Proposed Dividend on Equity Shares	-		-	
Tax on Proposed Dividend	-		-	
Transferred to General Reserve	-	12,980.23	-	11,840.89
		22,447.25		21,318.51
4. LONG TERM BORROWINGS				
	Non Current	Current	Non Current	Current
Secured				
Term Loan from Banks	4,031.65	3,000.15	9,082.75	8,454.67
Vehicle Loan	114.59		103.36	14.11
Unsecured				
Other Loans	2,985.71		1,950.29	
	7,131.95	3,000.15	11,136.40	8,468.78

Notes to the Financial Statements for the year ended 31st March, 2016

i) Terms of repayment of long-term borrowings are as follows:

(₹ in Lacs)

Term Loans from Banks

USD 6.53 million equivalent to ₹ 3821.07 lacs (31.03.2015: USD 11.28 million equivalent to ₹ 6411.37 lacs) loan is secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman & Falta unit and is repayable in 16 equal quarterly installments; the next installment is due on 27th April, 2016 and Rupee term loan 3210.72 lacs is secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman & Falta unit, hypothecation of present & future Current Assets of the Company on Second pari-passu basis, the first instalment due on 31st of December 2016. (P.Y. USD 5.73 million equivalent to ₹ 3521.89 lacs, Euro 3.41 million equivalent to ₹ 2266.65 lacs and INR loan amounting to ₹ 4787.50 lacs have been fully repaid.)

Term Loan from Others

a) Indian rupee loan amounting ₹ 114.59 lacs (31.03.2015: ₹ 117.47 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2016	As at March 31st, 2015
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Related to Fixed Assets	2,073.37	1,897.12
Net Deferred tax liability	2,073.37	1,897.12
6. LONG-TERM PROVISIONS		
Provision for employee benefits:		
Provision for gratuity (net)	42.41	3.24
	42.41	3.24
7. SHORT-TERM BORROWINGS		
Secured		
Loan repayable on demands	26,205.00	26,268.13
From Banks*		
Unsecured		
Short term loan from Bank	-	-
	26,205.00	26,268.13

* 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, Shantivan, 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, 2016

(₹ in Lacs)

	As at March 31st, 2016	As at March 31st, 2015
8. TRADE PAYABLES		
Acceptances - Secured (Refer Note (i) below)	10,299.50	200.00
Sundry Creditors (Refer Note (ii) & (iii) below)	3,094.66	5,852.84
	<u>13,394.16</u>	<u>6,052.84</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	2,425.64	5,074.34
Sundry creditors for expenses	669.02	778.50
	<u>3,094.66</u>	<u>5,852.84</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. OTHER CURRENT LIABILITIES		
Current maturities of Long term debt (Refer Note No.4)	3,000.15	8,468.78
Unpaid Dividend (Refer Note (i) below)	41.92	60.36
Statutory dues including provident fund and tax deducted at source	180.28	44.71
Creditors for Capital Expenditure	(48.59)	586.20
Advance from customers	-	22.54
Other Liabilities	804.62	3,493.73
	<u>3,978.38</u>	<u>12,676.33</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. SHORT- TERM PROVISIONS		
Provision for taxation (Net of tax payments)	732.57	(26.24)
Provision for proposed dividend on equity shares	-	-
Provision for tax on proposed dividends	-	-
	<u>732.57</u>	<u>(26.24)</u>

Notes to the Financial Statements for the year ended 31st March, 2016

NOTE - 11

FIXED ASSETS

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2015	Addition during the year	Sales/ Disposals	As at 31-03-2016	As at 01-04-2015	For the year	Sales/ Disposals	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
TANGIBLE ASSETS:										
Free hold land	2,944.05	-	71.44	2,872.62	-	-	-	-	2,872.62	2,944.05
Factory Building	7,889.17	700.61	777.47	7,812.31	1,197.86	243.26	181.11	1,260.01	6,552.30	6,691.32
Plant & Machinery	14,844.51	3,907	3,280.61	15,470.79	6,426.22	940.99	1,097.66	6,269.56	9,201.24	8,418.29
Furniture & Fixture	177.26	39.92	46.28	170.90	72.82	15.14	16.84	71.12	99.79	104.44
Motor Car	426.89	45.31	4.00	468.20	206.10	47.28	2.30	251.09	217.12	220.79
Scooter, Moped & Cycle	4.22	0.55	0.36	4.41	3.54	0.14	0.28	3.40	1.01	0.68
Laboratory Equipment	228.14	336.13	22.38	541.88	143.62	10.87	9.05	145.44	396.44	84.52
Electrical Installation	2,131.52	299.52	507.52	1,923.53	785.61	169.75	206.56	748.80	1,174.73	1,345.91
Office Equipment	118.67	24.27	12.24	130.70	90.55	15.71	4.80	101.46	29.24	28.12
Air Conditioner	46.48	5.58	10.09	41.97	18.66	2.78	3.14	18.30	23.67	27.82
Computer	125.07	10.35	16.93	118.49	110.08	10.26	11.22	109.12	9.37	14.99
Total	28,935.99	5,369.13	4,749.30	29,555.82	9,055.05	1,456.19	1,532.95	8,978.29	20,577.53	19,880.94
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)									-	3,137.00
Total (A)	28,935.99	5,369.13	4,749.30	29,555.82	9,055.05	1,456.19	1,532.95	8,978.29	20,577.53	16,743.94
INTANGIBLE ASSETS:										
Technical Knowhow	40.90	-	-	40.90	36.81	3.89	-	40.69	0.20	4.09
Computer Software	32.25	14.28	-	46.53	18.40	3.33	-	21.72	24.81	13.85
Total (B)	73.14	14.28	-	87.42	55.20	7.21	-	62.41	25.01	17.94
Total(A+B)	29,009.13	5,383.42	4,749.30	29,643.24	9,110.25	1,463.40	1,532.95	9,040.70	20,602.54	16,761.88
Previous Year	28,411.19	15,405.64	14,807.70	29,009.13	7,386.32	2,137.88	413.95	9,110.25	16,761.88	-
Capital Work-in-Progress									373.71	1,544.79

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

12. NON-CURRENT INVESTMENTS	Face Value ₹	As at March 31st, 2016		As at March 31st, 2015	
		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		
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
			<u>260.92</u>		<u>253.60</u>
Aggregate Book Value of Investments					
Quoted			250.95		250.95
Unquoted			9.97		2.65
			<u>260.92</u>		<u>253.60</u>
Aggregated Market Value of quoted Investments			<u>124.14</u>		<u>183.24</u>

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

- i) 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.
- ii) National Saving Certificates and Kishan Vikas Patra have been lodged with various authorities as margin deposit and security money.

13. LONG TERM LOANS AND ADVANCES**Unsecured, Considered Good**

Capital advances	-	166.55
Security Deposits	119.21	187.21
	<u>119.21</u>	<u>353.76</u>

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at March 31st, 2016	As at March 31st, 2015
14. INVENTORIES		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	6,609.86	4,089.10
Raw Materials in Transit	3.36	1,168.64
Finished Goods	3,169.07	7,367.46
Stores & Spares	225.58	314.36
	10,007.87	12,939.55
(i) Details of closing finished goods inventories		
PE Compound	1,995.98	6,742.02
PVC Compound	725.61	478.95
Agglomerates	206.14	41.61
Others	241.34	104.88
	3,169.07	7,367.46
15. TRADE RECEIVABLES		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months		
from the date they are due for payment	1,046.58	1,595.03
Others	36,336.20	22,058.60
	37,382.77	23,653.63
16. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand (As certified by the management)	112.19	94.82
Balances with banks		
In Current Accounts	541.26	1,745.10
In EEFC Accounts	250.74	58.80
In Margin & Guarantee Deposits	1,831.58	1,695.31
In Unpaid Dividend Account	41.92	60.36
	2,777.69	3,654.39

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at March 31st, 2016	As at March 31st, 2015
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured -Considered good)		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	190.70	171.86
Balance with Government Authorities	5,050.78	4,252.61
Inter-corporate deposits	32.28	103.31
Advance to Suppliers	-	-
Other Loans and Advances	1,054.25	14,269.45
	6,328.02	18,797.23
18. OTHER CURRENT ASSETS		
Interest accrued on deposits	34.23	111.97
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)	-	3,137.00
	34.23	3,248.98
19. REVENUE FROM OPERATIONS		
Sale of products (Refer Note (i) below);	200,314.03	185,028.40
Sale of Scrap (Non Operating)	231.08	-
Job Work Income		
	200,545.11	185,028.40
Less : Excise Duty	14,774.16	13,710.26
	185,770.95	171,318.14
(i) Particulars of sale of products:		
<u>Particulars</u>		
PE Compound	107,136.20	120,362.74
PVC Compound	42,758.46	36,493.84
Others	50,650.45	28,171.82
	200,545.11	185,028.40
20. OTHER INCOME		
Interest Income		
Interest Income	186.45	197.67
Export Incentive	149.17	35.93
Insurance Claim received	6.19	23.47
Rent	0.65	0.50
Profit On Sale Of Assets	487.68	(19.74)
Miscellaneous Receipts	3.58	3.96
Commission Received	1,053.20	1,346.14
	1,886.93	1,587.93

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at March 31st, 2016	As at March 31st, 2015
21. COST OF MATERIALS CONSUMED		
Raw materials consumed		
LLDPE/ LDPE	61,281.83	87,259.39
PVC Resin	28,830.72	18,750.25
Plastic Scrap	156.32	123.48
Other items	71,141.50	51,777.45
	161,410.37	157,910.56
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening inventories of Finished Goods	7,367.46	2,536.77
Less: Closing inventories of Finished Goods	(3,169.07)	(7,367.46)
(Increase)/ Decrease	4,198.38	(4,830.68)
23. EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Bonus	1,762.54	1,984.56
Contribution to Provident and other Funds	99.73	25.43
Staff Welfare Expenses	80.24	74.55
	1,942.51	2,084.53
24. FINANCE COSTS		
(a) Interest on borrowings	4,031.16	2,452.27
(b) Interest on others	189.77	73.10
(c) Other borrowing costs	883.69	1,053.57
	5,104.62	3,578.93
25. OTHER EXPENSES		
Consumption of stores and spares	133.85	202.34
Power & Fuel	1,942.45	1,951.24
Clearing and Forwarding charges	1,050.93	941.38
Rent	277.11	296.82
Repair & Maintenance - Building	31.77	18.28
Repair & Maintenance - Machinery	460.27	290.84
Repair & Maintenance - Others	138.66	56.99
Insurance Charges	170.52	97.74
Rates & Taxes	90.72	28.92
Carriage and freight	944.94	749.67
Payments to auditors (Refer Note (i) below)	3.75	3.75
Baddebts/Advances Written Off	162.91	2.05
Selling & Distribution Expenses	2,857.19	3,373.57
Miscellaneous expenses	916.35	747.55
	9,181.42	8,761.13
(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	-	-
	3.75	3.75

Notes to the Financial Statements for the year ended 31st March, 2016

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
26. CONTINGENT LIABILITIES		
Bank Guarantee	612.54	725.31
Total	612.54	725.31
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)	140.28	1,255.56
Other Commitments		
Letter of Credit	10,561.38	5,680.19
Total	10,701.66	6,935.75
28 EARNING PER SHARE		
A) Net Profit before Tax for basic earning per share (Fully attributable to equity shareholders)	1,139.35	441.33
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	1.21	0.47
ii Diluted	1.21	0.47
D) Face Value Per Share (₹) (Face Value restated) *	2.00	2.00

* 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. In view of the same, for the purpose of ease of comparison, EPS for previous year have also been recomputed considering face value of ₹ 2/- per share.

Notes to the Financial Statements for the year ended 31st March, 2016

29. VALUE OF IMPORTED AND INDIGENEOUS MATERIAL CONSUMED

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
	₹	% of Total Consumption	₹	% of Total Consumption
Raw Materials				
i Imported	66,012.92	41%	47,031.23	30%
ii Indigeneous	95,397.45	59%	110,879.33	70%
	161,410.37	100%	157,910.56	100%
Store, Spare parts and Components				
i Imported	73.62	44%	88.17	67%
ii Indigeneous	60.23	56%	114.17	33%
Total	133.85	100%	202.34	100%

30. VALUE OF IMPORTS ON CIF BASIS

<u>Particulars</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Raw Materials	66,220.22	47,031.23
Stores, Spare parts and Components	132.97	88.17
Capital Goods	1,420.16	270.54
Total	67,773.35	47,389.94

31. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at FOB Value	42,370.19	30,006.22
Total	42,370.19	30,006.22

32. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Travelling	82.78	22.28
Exhibition	12.23	85.87
Interest	859.89	1,043.66
Other Matters	10.70	51.45
Total	965.59	1,203.26

Notes to the Financial Statements for the year ended 31st March, 2016

33. EMPLOYEE BENEFITS

(₹ in Lacs)

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 99.73 lacs (Previous Year ₹ 25.43 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 31, 2016	March 31, 2015
Changes in present value of obligation		
Present value of obligation as at beginning of the year	107.04	108.33
Add: Present obligation of transferor company		
Interest Cost	9.88	9.69
Current Service Cost	19.36	15.90
Past Service Cost		
Benefits Paid	(24.87)	(4.21)
Actuarial (gain)/Loss on obligation	27.76	(22.67)
Present Value of Obligation at the end of the year	139.16	107.04
Changes in fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	103.80	84.67
Expected Return on Plan Assets	8.02	8.48
Contributions	10.68	15.31
Benefits Paid	(24.87)	(4.21)
Actuarial (gain)/loss	(0.88)	(0.45)
Fair Value of Plan Assets at the end of the year	96.75	103.80
Present value of the Defined Benefit Obligation and the fair value of Plan Assets		
Present value of obligation at the end of the year	139.16	107.04
Fair value of plan assets at the end of the year	96.75	103.8
Liabilities /(Assets) recognised in Balance Sheet	42.41	3.24

- 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 31, 2016	March 31, 2015
Discount Rate	8.00%	8.00%
Expected Rate of Return on Assets	8.00%	9.00%
Future Salary Escalation Rate	6.00%	5.00%
Mortality Rate	21.18	21.74
Expense recognised in the Profit and Loss Account	21.40	21.96

Notes to the Financial Statements for the year ended 31st March, 2016

34. PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE: (₹ in Lacs)

Particulars		FY 2015-16	FY 2014-15
Forward Contract outstanding	USD	6,531,250	13,031,250
Foreign Currency Loan	₹	3,821	7,444
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	6,531,250	13,031,250
	₹	3,821	7,444
Un-hedged Foreign Currency Exposure			
a) Foreign Currency Loan	USD	-	3976790
	₹	-	2489
	EURO	-	3357500
	₹	-	2267
b) Trade Payables	USD	7,878,322	3,039,810
	₹	5,226	1,903
	EURO	87,876	-
	₹	66	-
c) Trade Receivables	USD	6,224,503	5,404,399
	₹	4,129	3,383
	EURO	390,600	62,430
	₹	293	42
d) Other Liabilities	USD	-	28,151
	₹	-	18

Notes to the Financial Statements for the year ended 31st March, 2016

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 31, 2016	March 31, 2015
Segment Revenue		
Domestic	143,400.76	141,311.92
Overseas	42,370.19	30,006.22
Segment Assets		
Trade Receivables		
Domestic	33,791.49	19,536.65
Overseas	3,591.28	4,163.96

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 Kumar Kothari

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 : Sriram Financial Consultants Pvt. Ltd

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

(₹ in Lacs)

Particulars		March 31, 2016	March 31, 2015
(A) Key Management Personnel			
Remuneration Paid	Mr. Narrindra Suranna	31.20	28.80
	Mr. Rajesh Kumar Kothari	18.76	17.57
	Mr. P.R.Mukherjee	17.00	8.00
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, 2016

Particulars	March 31, 2016	March 31, 2015
(C) A Shareholder holding more than 20% of Equity Shares of the Company		
Dividend Paid	Sriram 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.

For **B. Mukherjee & Co.**
Chartered Accountants
Firm Registration No:302096E

B. Mukherjee
Partner
Membership No.002941
Date : 30th May, 2016
Place : Kolkata

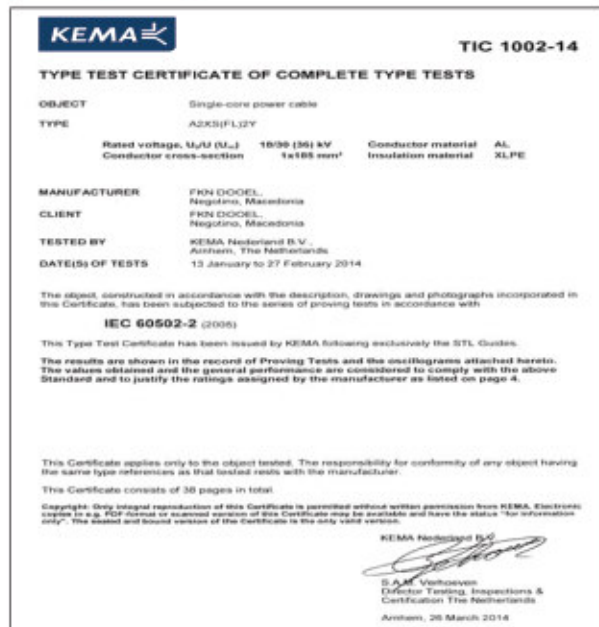
For and on behalf of the Board of Directors

Narrindra Suranna
(DIN 00060127)
Chairman and Managing Director

A. B. Chakrabarty
(Membership No. FCS 7184)
Company Secretary

Rajesh Kumar Kothari
(DIN 02168932)
Whole Time Director

Indar Chand Dakalia
Chief Financial Officer



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