



KILBURN CHEMICALS LTD.

**ANNUAL
REPORT
AND
ACCOUNTS
2012-2013**

KILBURN CHEMICALS LTD.

DIRECTORS

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

BANKERS

AXIS BANK LIMITED
HDFC BANK LIMITED

AUDITORS

G. P. KEJRIWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
KOLKATA

REGISTERED OFFICE

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

CORPORATE OFFICE

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

**REGISTRAR &
SHARE TRANSFER AGENT**

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

NOTICE FOR THE 23RD ANNUAL GENERAL MEETING

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

AS ORDINARY BUSINESS

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

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

NOTES

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

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

ITEM NO. 5

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

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

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

ITEM NO. 6

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

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

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

The Board of Directors recommends the resolution for your approval.

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

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

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

Rs.

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

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

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

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

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

II. Information about the Appointee :

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

III. Other Information :

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

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

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

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

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

DIRECTORS' REPORT

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

FINANCIAL HIGHLIGHTS

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

OPERATIONS

During the year under review the Company has achieved turnover of Rs.2.71 crores which solely come from Wind Mills Operations. The figure of the last year are not comparable with the year under review. The profit before Tax is stood at Rs. 2.24 crores in current year as compared to Rs. 10.98 crores, in last year which is not comparable with the current year as the Company has sold its Chemical Division last year.

EQUITY DIVIDEND

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

FUTURE OUTLOOK

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

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

CONSERVATION OF ENERGY

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

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for year under review;

- (3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) That the Directors have prepared the Annual Accounts on a going concern basis.

COST AUDITOR

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

DIRECTORS

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

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

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

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

FORM – A

(See Rule 2)

Disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION :	Current Year 2012-2013	Last Year 2011-2012
1] ELECTRICITY:		
a] Purchased :		
Units	-	34,76,171.00
Total Amount	-	Rs.1,67,50,973
Rate / Unit	-	Rs.4.82
b] OWN GENERATION :		
[i] Through Diesel Generator		
Units	-	12,95,908.00
Units per litre of fuel	-	4.11
Cost per unit	-	Rs.12.19
[ii] Through Steam		
Turbine/Generator [Units]	-	5,89,495.00
[iii] Wind Power [Units]	-	66,70,604.00
2] COAL :		
Quantity [MT]	-	7,662.50
Total Amount	-	Rs.4,41,12,026
Average Rate	-	Rs.5,757
3] FURNACE OIL / KEROSENE:		
Quantity [K.Ltrs]	-	2,353.70
Total Amount	-	Rs.7,53,97,608
Average Rate	-	Rs.32,033.65
4] OTHERS:		
FIRE WOOD		
Quantity [MT]	-	321.25
Total Amount	-	Rs.11,83,544
Average Rate	-	Rs.3,684.24
B] CONSUMPTION PER UNIT OF PRODUCTION :		
I] TITANIUM DIOXIDE		
a] Power	-	1,065 Units
b] Furnace Oil / Kerosene	-	396 Ltrs
c] Firewood	-	0.054 Tonne
d] Coal	-	1.288 Tonne
[ii] FERROUS SULPHATE HEPTA HYDRATE		
a] Power	-	96 Units

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Clause 49 of the Listing Agreement]

A. MANDATORY REQUIREMENTS**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company firmly believes in transparency, professionalism and accountability in its dealings and lays emphasis on integrity and compliance of regulatory provisions and has constantly endeavoured to practice good Corporate Governance. The above policies adopted by the Company recognize the accountability of the Board and assist its top management in the efficient conduct of the business of the Company and at the same time in meeting its social obligations.

The Company has taken a series of steps to put in place appropriate Corporate Governance Policies for your Company and to comply with many of the regulations framed in this regard by the Securities & Exchange Board of India.

2. BOARD OF DIRECTORS

The Board of Directors of your Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance management, legal and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, meets with the requirements of Clause 49(1)(A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

The composition, status, attendance at the Board Meetings and the last Annual General Meeting (AGM), outside Directorships and other Board Committees as at 31st March, 2013 is as under :

Name of the Director	Status i.e., Executive, Non Executive and Independent	No. of Membership in other Boards or other Committees as a Member or Chairman (other than Private Limited Companies and Kilburn Chemicals Ltd.)		Number of Board Meetings		Whether attended last A.G.M.
		Board	Committee	Held during the year	Attended during the year	
Mr. B. P. Jalan (Resigned w.e.f. 9.11.2012)	Non Executive Chairman	4	–	4	3	NO
Mr. S. K. Jalan	Executive Managing Director	8	1	4	4	YES
Mr. V. Vanchi	Non Executive Director	5	1	4	3	YES
Mr. A. D. Nanaiya	Non Executive Independent Director	1	-	4	0	NO
Mr. Ranjit Chaudhri	Non Executive Independent Director	2	-	4	4	YES
Mr. Anand Chatrath	Non Executive Independent Director	2	1	4	2	NO
Mr. Parag Keshar Bhattacharjee	Non Executive Independent Director	–	5	4	4	NO
Mr. Tushar Mahendra Patel (appointed w.e.f. 9.11.2012)	Non Executive Independent Director	1	1	4	–	NO

Four Board Meetings were held on 10.05.2012, 12.07.2012, 09.11.2012 and 08.02.2013 during the year.

3. CODE OF CONDUCT

Board of Directors of the Company have laid down the Code of Conduct for all its Members and Senior Management Personnel who have affirmed their compliance therewith. The Code has also been displayed on the Company's Website.

CEO/CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

4. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the Internal Control Systems and financial disclosures.

The terms of reference of the Audit Committee covers the matter specified for Audit Committee under Clause 49 of the Listing Agreement and the Companies (Amendment) Act, 2000 and is vested with the following powers :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advices.
- To secure attendance of outsiders with relevant expertise, if considered necessary.
- Review of Company's Financial reporting process.
- Review of Half yearly and annual financial statements, before submission to the Board.
- Review with External Auditors, on areas of concern.
- Review the adequacy of internal control systems.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31st March 2013.

The Board of Directors of the Company had constituted an Audit Committee comprising of Shri Ranjit Chaudhri, (Chairman); Shri A. D. Nanaiya; Shri Anand Chatrath & Shri Parag Keshar Bhattacharjee.

The Audit Committee is constituted in accordance with the provisions of Clause 49(II)(A) of the Listing Agreement and Section 292A of the Companies Act, 1956. Shri Anand Chatrath is a Chartered Accountant and possesses knowledge of corporate finance, accounts and Company law. The Statutory Auditor, Internal Auditor are also invited to the Meetings. The quorum for the Audit Committee Meetings is two members. Mr. Muneesh Maharwal, acts as the Secretary of the Committee.

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Date of Audit Committee Meeting held and attended by the Members	Mr. Ranjit Chaudhri	Mr. A. D. Nanaiya	Mr. Anand Chatrath	Mr. Parag Keshar Bhattacharjee
10.05.2012	YES	–	YES	YES
12.07.2012	YES	–	YES	YES
09.11.2012	YES	–	–	YES
08.02.2013	YES	–	–	YES

Shri Muneesh Maharwal acts as the Secretary of the Committee.

INTERNAL AUDIT

The Company has appointed Mr. Shyamal Kumar Banerjee, Chartered Accountant as Internal Auditor to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

5. REMUNERATION COMMITTEE

The Board of Directors has constituted the Remuneration Committee which includes Mr. V. Vanchi (Chairman), Mr. A. D. Nanaiya and Mr. Anand Chatrath.

REMUNERATION TO DIRECTORS

The Details of Remuneration paid to Directors for the year ended 31st March, 2013 are as follows :

Name of the Director	Sitting Fees (Rs.)	Salaries & Perquisites (Rs.)	Commission (Rs.)	No. of Shares held	
				Equity	Preference
Mr. B. P. Jalan	12,000	–	–	100	–
Mr. S. K. Jalan	–	42,06,130	–	25255	–
Mr. V. Vanchi	12,000	–	–	–	–
Mr. A. D. Nanaiya	–	–	–	–	–
Mr. Ranjit Chaudhri	32,000	–	–	–	–
Mr. Anand Chatrath	16,000	–	–	–	–
Mr. P. K. Bhattacharjee	32,000	–	–	–	–

The Company does not have any Employee Stock Option Scheme.

The agreement with the Managing Director is for a period of three years, notice period is of 6 months and Service Contract is from 14th November, 2012 to 13th November, 2015.

The remuneration of the Managing Director is determined by the Board within the statutory limits subject to shareholder's approval and on the basis of recommendation of the Remuneration Committee.

6. SHARE TRANSFER COMMITTEE (INVESTORS/SHAREHOLDER'S GRIEVANCE COMMITTEE)

The Committee is headed by Mr. V. Vanchi, Non Executive Director. The other members of the Committee include Mr. S. K. Jalan, Executive Managing Director and Mr. A. D. Nanaiya, Non Executive Independent Director.

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The Committee looks into redressal of investor's grievances, various matters relating to the transfer and transmission of shares, issue of duplicate share certificates, approving of split and consolidation requests and other matters relating to transfer and registration of shares. All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on 31st March, 2013.

The Committee generally meets once a month.

A	No. of Pending Complaints as on 01.04.2012	NIL
B	No. of complaints received from Stock Exchanges/SEBI/Investors	13
C	No. of complaints resolved	13
D	No. of pending complaints as on 31.3.2013	NIL

Mr. Muneesh Maharwal is the Compliance Officer.

7. GENERAL BODY MEETINGS**(i) Details of Annual General Meeting**

The location and time of the General Meetings held during the last three years is as follows :

AGM/EGM	Date	Venue	Time	No.of special resolutions Passed
AGM	24.09.2012	Narada Gana Sabha (Mini Hall),314, T.T.K. Road Alwarpet,Chennai - 600018	11.00 A.M.	NIL
AGM	19.09.2011	Narada Gana Sabha (Mini Hall), 314,T.T.K. Road Alwarpet,Chennai 600018	3.30 P.M	NIL
AGM	30.09.2010	The Music Academy Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), T.T.K. Road Chennai – 600 014	10.00 A.M.	NIL

(ii) Special Resolutions/Postal Ballot Resolutions

No Special Resolutions were put through Postal Ballot at the last Annual General Meeting.

POSTAL BALLOT

- An Ordinary Resolution U/s 293(1)(a) of the Companies Act, 1956 for Slump Sale of Wind Turbine Generators Division was passed through Postal Ballot vide Notice dated 24th April, 2013.
- A Special Resolution U/s 17 of the Companies Act, 1956 for shifting of Registered Office of the Company from the State of Tamil Nadu to State of West Bengal was passed through Postal Ballot vide Notice dated 24th April, 2013.

The Results of the Postal Ballot will be declared on 14th June, 2013.

Mr. B.L. Patni has been appointed as the scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

8. DISCLOSURES

- i) There are no materially significant related party transactions except those mentioned in Note 24 on accounts.
- ii) There were no non-compliances, penalties, strictures imposed on the Company by Stock Exchange, SEBI, or any Statutory Authority, on any matter related to Capital Markets during the last three years.
- iii) There is no Whistle Blower Mechanism in the Company.
- iv) The Company has complied with all the applicable mandatory requirements and adopted some Non – mandatory requirements stipulated under Clause 49, such as requirements with regard to Remuneration Committee.

9. MEANS OF COMMUNICATION

Quarterly and half yearly results are published in Business Standard and Malai Malar. The annual results are mailed to every shareholder of the Company.

Website where displayed: www.kilburnchemicals.com

10. GENERAL SHAREHOLDER INFORMATION

- i) Next Annual General Meeting
 - DATE - 19th August, 2013
 - TIME - 11.00 a.m.
 - VENUE - Narada Gana Sabha (Mini Hall)
314, T.T.K. Road, Alwarpet
Chennai – 600 018
- ii) FINANCIAL CALENDAR : (tentative) for the year 2013-2014
 - a) First Quarter Results - 2nd Week of July, 2013
 - b) Second Quarter Results - 1st Week of November, 2013
 - c) Third Quarter Results - 1st Week of February, 2014
 - d) Results for the year ending March 2013 - May, 2014
- iii) Date of Book Closure - 13th August, 2013 to
19th August, 2013 (both days inclusive)
- iv) Dividend Payment Date - N.A.
- v) Listing on Stock Exchange - The Stock Exchange, Mumbai
Listing Fee for the financial year
2013-2014 has been paid to the Stock
Exchange, Mumbai

STOCK CODE :

- The Stock Exchange, Mumbai - 524699
- Demat ISIN No.for NSDL & CDSL - INE655C01027

MONTHLY STOCK PRICE DATA :

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April, 2012	29.90	23.15
May, 2012	27.00	20.85
June, 2012	31.20	22.10
July, 2012	33.90	25.00
August, 2012	28.75	22.10
September, 2012	28.35	22.05
October, 2012	26.90	23.35
November, 2012	25.70	22.10
December, 2012	27.75	20.90
January, 2013	28.95	21.80
February, 2013	25.35	18.65
March, 2013	24.30	15.10

(relates to trading in The Stock Exchange, Mumbai)

REGISTRAR & SHARE TRANSFER AGENT : MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2nd Floor
KOLKATA 700 001.

Share Transfer System : Share Transfers in physical Form are processed by the Share Transfer Agent and approved by the Share Transfer Committee which meets at regular intervals. Share Transfers are registered and returned generally within 15 days from date of receipt, provided the documents are complete in all respects.

Distribution of Shareholding as on 31.03.2013

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
1 to 500	19,231	97.7483	13,93,405	18.7664
501 to 1000	235	1.1945	1,93,313	2.6035
1001 to 2000	86	0.4371	1,24,774	1.6805
2001 to 3000	47	0.2389	1,17,790	1.5864
3001 to 4000	22	0.1118	77,502	1.0438
4001 to 5000	15	0.0762	72,210	0.9725
5001 to 10000	18	0.0915	1,41,698	1.9084
10001 and above	20	0.1017	53,04,308	71.4385
	19,674	100.0000	74,25,000	100.0000

Shareholding Pattern as on 31.03.2013 is as follows :

Category	No. of Folios	No. of shares	%
Promoters	10	34,64,747	46.6633
Mutual Fund	7	10,500	0.1414
Bank, Financial Institutions	5	1,000	0.0135
Private Corporate Bodies	206	17,59,257	23.6937
Indian Public	19,420	21,64,580	29.1526
NRI/OCBs	26	24,916	0.3355
	19,674	74,25,000	100.0000

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on 31st March, 2013, 64,97,868 shares were converted from physical to electronic form. Over 87% equity shares have been dematerialised upto 31st March, 2013. Trading in Equity Shares of the Company is permitted only in dematerialised form with effect from 29.1.2000 as per notification issued by the Securities and Exchange Board of India. (SEBI).

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : Not Applicable.

CORPORATE OFFICE : KOLKATA, WEST BENGAL

ADDRESS FOR CORRESPONDENCE : "SHANTINIKETAN", 16TH FLOOR
8, CAMAC STREET
KOLKATA – 700 017

B. NON-MANDATORY REQUIREMENTS:**Shareholder rights :**

The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders –

As the Company's Quarterly/half-yearly results are published in English Newspapers having circulation all over India and in a Tamil Newspaper (having circulation in Chennai) the same is not being sent to the shareholders separately.

Place : Kolkata
Date : 30th May, 2013

S. K. JALAN
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as annexed to the Directors Report.

ANNEXURE TO THE DIRECTORS' REPORT

Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement.

TO THE MEMBERS OF KILBURN CHEMICALS LTD.

We have examined the compliance of conditions of Corporate Governance by **Kilburn Chemicals Ltd.** for the year ended 31st March, 2013 as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for

ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

5, Clive Row
Kolkata-700001.

K. K. SINGHAL
Partner

Dated : 30th May, 2013

M. No. 50140

INDEPENDENT AUDITOR'S REPORT

To the Members of Kilburn Chemicals Ltd. Report on the Financial Statements

We have audited the accompanying financial statements of Kilburn Chemicals Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

KILBURN CHEMICALS LTD.

statements read together with the NOTES in NOTE 24 and the NOTES and OBSERVATIONS thereon and attached thereto, 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, 2013.
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes in Note 24 attached to the financial statements. Our opinion is not qualified in respect of these matters:

- i. Notes 1(vii), 1(viii) and 1(xi) regarding recognition of certain revenue and expenditure on the basis stated thereunder, provisions / adjustments for certain Long and Short term loans and advances, Trade receivables and other current assets to be made as and when such amounts are found to be irrecoverable and or amounts are determined and other matters as referred to thereunder.
- ii. Note 15 regarding legal opinion for applicability of the provisions of section 295 and 372A (3) of the Companies Act, 1956 still to be obtained.
- iii. Note 16 regarding remuneration paid/provided to the Managing Director of the Company, being in excess of the limits prescribed under law, for which steps are being taken either to recover or obtain the approval/consent of the concerned authorities.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us and the books and records as produced and examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the attached Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.

2. As required by section 227(3) of the Act, we report that:

- a. we have 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account, as submitted to us;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read with Notes 1(vii), 1(viii), 1(xi) and 16 in Note 24 attached to the financial statements comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

K. K. SINGHAL

Partner

5, Clive Row
Kolkata-700001.

Dated : 30th May, 2013

M. No. 50140

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (1) on Report on Other Legal and Regulatory Requirements of our Report of even date of KILBURN CHEMICALS LTD. as at and for the year ended 31st March, 2013)

- i. (a) The Company has, in our opinion, maintained proper records in computer, to show full particulars including quantitative details and situation of fixed assets.
 - (b) In accordance with a programme, of verifying, the fixed assets, once in three years, the fixed assets, as informed were physically verified by the management during the year ended 31.03.2011 and the discrepancies noticed on such physical verification, which in our opinion, were not material, in relation to the operations of the Company, had been properly dealt with in the books of accounts.
 - (c) In our opinion, substantial part of fixed assets have not been disposed off by the Company during the year.
 - ii. (a) The Company had no inventories either as on 31.03.2012 or as on 31.03.2013.
 - (b) In view of our remarks under Para (a) above, the clauses (b) and (c) of the aforesaid order are not applicable to the Company for the current year.
 - iii. (a) According to the records of the Company, the Company has during the year granted Unsecured Loans of Rs. 75 Lacs (excluding opening balance of Rs. 275.01 lacs outstanding as on 01.04.2012) to a Company covered in the register maintained u/s 301 of the Act.
 - (b) The rate of interest charged on loans as referred to in Para (a) above, granted during the year is, in our opinion, prima facie, not prejudicial to the interest of the Company. Interest for the year receivable on loans of Rs. 275.01 lacs outstanding as on 31.03.2013 is intended to be accounted for as and when the same is received (refer Note 1(vii)(j) in Note 24 attached to the financial statements). Any other terms and conditions on which the above loans were granted having not been mentioned, we are not in a position to comment as to whether or not the other terms and conditions of the loans granted by the Company are prima facie prejudicial to the interest of the Company.
- (c) In respect of loans as referred to in Para(a) above granted, there were no Schedules as regards to repayments of principal amount and therefore we are not in a position to make any comments as to whether or not the Company was regular in receipt of the principal amount.
 - (d) In view of our comments in Para (c) above, we are not in a position to make any comment as to whether or not there were any overdue amounts of more than Rs. One Lakh and whether any reasonable steps have been taken by the Company for recovery of the principal amount (also refer Para (b) above).
 - (e) According to the records of the Company, the Company has not taken any Loans, secured or unsecured during the year from companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (f) In view of our comment in paragraph (e) above, clauses (f) and (g) of the aforesaid order, are, in our opinion, not applicable to the Company for the current year.
- iv. In our opinion and on the basis of test checks carried out by us, and considering the explanations given by the management that alternative sources not being available for certain purchases, it appears that there are adequate internal control system commensurate with the size of the Company and the nature of its business with respect to major purchases of fixed assets. There were no purchases of inventory and sale of goods during the year. Further, during the course of our audit we have neither come across nor have we been informed by the management or the internal auditors of any instance of major weaknesses in the aforesaid internal control system.
 - v. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, there were no contracts or arrangements that need to

KILBURN CHEMICALS LTD.

- be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (b) In view of our comments in Para (a) above, clause (b) of the aforesaid order is not applicable to the Company for the year.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year under the provisions of section 58A, 58AA or any other relevant provisions of the Act.
- vii. In our opinion, the internal audit system is by and large commensurate with the size of the Company and nature of its business.
- viii. We are informed by the Company that maintenance of cost records have not been prescribed under clause (d) of sub-section (i) of Section 209 of the Act.
- ix. (a) According to the records of the Company, the Company has been generally regular in depositing during the year undisputed statutory dues (to the extent applicable) including Provident Fund, Investor Education and Protection Fund (except as stated in Note 8(v) in Note 24 attached to the financial statements), Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- According to the records of the Company, there were no arrears of outstanding statutory dues which have remained outstanding as at 31.03.2013 for a period of more than six months from the date they become payable.
- (b) According to the records of the Company and as per the information and explanations given to us, there were no dues outstanding of sales tax/ weath tax/ service tax/custom duty/excise duty/cess/ Income Tax which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses as at 31st March 2013 and has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. The Company has not taken any loans from a financial institution or bank or debenture holders during the year.
- xii. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- xiii. In our opinion, the provisions of any Special Statute applicable to Chit Fund/Nidhi/Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi. According to the records of the Company, no term loans were taken by the Company during the year.
- xvii. On the basis of the review of utilization of funds on overall basis as on 31.03.2013, related information, explanations and statements as made available to us and as represented to us by the Management, funds of Rs. 1145.81 Lacs available as Short Term during the year have been used for Long Term application.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year.
- xix. The Company has not issued any Debentures during the year.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management or the internal auditors of the Company.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

5, Clive Row
Kolkata-700001.

K. K. SINGHAL
Partner

Dated : 30th May, 2013

M. No. 50140

BALANCE SHEET AS AT 31st MARCH, 2013

	Note No.	31.03.2013		31.03.2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	7,42,50,000		7,42,50,000	
(b) Reserves and Surplus	2	<u>57,74,28,181</u>	65,16,78,181	<u>55,62,40,903</u>	63,04,90,903
(2) Non-current Liabilities					
Deferred Tax liabilities (Net)	3		4,85,44,784		5,18,13,343
(3) Current Liabilities					
(a) Trade Payables	4	88,88,532		8,63,888	
(b) Other current liabilities	5	5,62,30,552		1,11,82,323	
(c) Short-term provisions	6	49,43,626	7,00,62,710	1,72,97,698	2,93,43,909
TOTAL			<u>77,02,85,675</u>	<u>71,16,48,155</u>	
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets					
(i) Tangible assets		34,05,18,872		16,70,94,036	
(ii) Intangible assets		17,26,690		20,92,874	
(iii) Capital work-in-progress	8	<u>8,74,17,852</u>		—	
			42,96,63,414		16,91,86,910
(b) Non-current Investments	9		—		—
(c) Long Term Loans and Advances	10		—		12,55,36,765
(2) Current Assets					
(a) Current Investments	11	13,12,63,209		27,50,93,665	
(b) Trade Receivables	12	3,25,55,675		1,87,35,196	
(c) Cash and Cash equivalents	13	84,50,613		71,08,029	
(d) Short-term loans and advances	14	4,03,04,578		3,05,47,291	
(e) Other current assets	15	<u>12,80,48,186</u>	34,06,22,260	<u>8,54,40,299</u>	41,69,24,480
TOTAL			<u>77,02,85,675</u>	<u>71,16,48,155</u>	

Significant Accounting Policies and Other Notes 24

The notes referred to above form an integral part of the Balance Sheet.

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

K. K. SINGHAL

Partner M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 30th May, 2013

S. K. JALAN
Managing Director

V. VANCHI
Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

	Note No.	31.03.2013		31.03.2012	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations(Gross)	16		2,71,22,118		1,02,90,72,423
Less: Excise Duty			—		6,04,66,720
Revenue from Operations(Net)			2,71,22,118		96,86,05,703
II Other Income	17		2,85,41,254		1,72,12,523
III Total Revenue (I+II)			5,56,63,372		98,58,18,225
IV EXPENSES :					
Cost of Materials Consumed	18		—		34,27,18,355
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	19		—		8,37,22,682
Employee Benefits Expense	20		55,62,640		3,50,44,797
Finance Costs	21		69,338		2,78,58,285
Depreciation and Amortisation Expense	7		1,17,23,865		3,26,14,623
Other Expenses	22		1,58,90,241		35,40,59,483
Total Expenses			3,32,46,083		87,60,18,225
V Profit before exceptional and extraordinary items and Tax (III-IV)			2,24,17,289		10,98,00,001
VI Exceptional Items			—		—
VII Profit before extraordinary items and tax (V-VI)			2,24,17,289		10,98,00,001
VIII Extraordinary Items(Income)	23		—		30,15,02,264
IX Profit before tax (VII + VIII)			2,24,17,289		41,13,02,265
X Tax Expense :					
1. (a) Current Year		45,00,000		13,61,00,000 (a)	
(b) Tax Expense relating to Prior Years		(1,430)		62,96,204	
(c) Net Current tax expense		44,98,570		14,23,96,204	
2. Deferred Tax		(32,68,559)	12,30,011	2,84,52,827	17,08,49,031
(a) Includes Tax on extraordinary item Rs.11,86,81,000/-					
XI Profit for the Year (IX-X)			2,11,87,278		24,04,53,234
XII Earnings per equity share (Basic and Diluted)	24 (9)		2.85		32.09
Significant Accounting Policies and Other Notes	24				

The notes referred to above form an integral part of the Statement of Profit and Loss

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

K. K. SINGHAL

Partner M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 30th May, 2013

S. K. JALAN
Managing Director

V. VANCHI
Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 Rs.	31.03.2012 Rs.	
NOTE 1			
SHARE CAPITAL			
Authorised :			
1,60,00,000	Equity shares of Rs.10/- each	16,00,00,000	16,00,00,000
4,00,000	Cumulative Redeemable Preference Shares of Rs.100/- each	4,00,00,000	4,00,00,000
		<u>20,00,00,000</u>	<u>20,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP			
74,25,000	Equity shares of Rs.10/- each	7,42,50,000	7,42,50,000
		<u>7,42,50,000</u>	<u>7,42,50,000</u>

a) Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Director is subject to the approval of the shareholders in the Annual General Meeting.

b) Details of Share Holders, holding more than 5% shares in the Company's Equity Shares of Rs.10/- each fully paid up.

Name of Shareholders	31.03.2013		31.03.2012	
	No. of Shares	% Held	No. of Shares	% Held
Shree Durga Agencies Ltd.	13,08,170	17.62	13,08,170	17.62
Supriya Finance Ltd.	8,79,423	11.84	8,79,423	11.84
Nirvan Commercial Company Ltd.	6,54,465	8.81	6,54,465	8.81
Maryada Advisory Services Pvt. Ltd.	4,67,457	6.29	4,67,457	6.29
Williamson Magor & Co.Ltd.	8,55,000	11.51	8,55,000	11.51
Nitya Holdings & Properties Pvt. Ltd.	3,93,180	5.29	3,93,180	5.29

c) There is no change in Equity shares outstanding as on 31.03.2013 and 31.03.2012

KILBURN CHEMICALS LTD.

	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 2				
RESERVES AND SURPLUS :				
Capital Reserve				
State Subsidies		19,76,000		19,76,000
Preference Share Capital Redemption Reserve				
As per last Account	3,91,22,000		1,17,22,000	
Transfer from Statement of Profit and Loss	<u>—</u>	3,91,22,000	<u>2,74,00,000</u>	3,91,22,000
General Reserve :				
As per last Account	13,47,50,391		12,22,50,391	
Add: Transferred from Statement of Profit and Loss	<u>—</u>	13,47,50,391	<u>1,25,00,000</u>	13,47,50,391
Surplus in the Statement of Profit and Loss				
As per Last Account	38,03,92,512		19,49,81,122	
Add: Profit for the year	<u>2,11,87,278</u>		<u>24,04,53,234</u>	
	40,15,79,790		43,54,34,356	
Less: Appropriations				
Transfer to General Reserve	—		1,25,00,000	
Transfer to Preference Share Capital Redemption Reserve	—		2,74,00,000	
Proposed Dividend:				
— on Equity Shares [Dividend per share Rs. Nil (Previous Year Rs.1.50p)]	—		1,11,37,500	
— on Cumulative Redeemable Preference Shares (Pro-rata upto the date of redemption) [Dividend per share (Previous Year Rs.11/-)]	—		18,90,824	
Tax on Proposed Dividends	—	40,15,79,790	21,13,520	38,03,92,512
TOTAL		<u>57,74,28,181</u>		<u>55,62,40,903</u>

KILBURN CHEMICALS LTD.

	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 3				
DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liabilities				
Difference between book and tax depreciation	4,85,44,784		5,19,45,904	
Deferred Tax Assets				
Disallowances u/s 43B	—		1,32,561	
		<u>4,85,44,784</u>	<u>5,18,13,343</u>	

NOTE 4

TRADE PAYABLES *	88,88,532	8,63,888
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* The management has confirmed that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required to be made under the said Act could not be complied and disclosed.

NOTE 5**OTHER CURRENT LIABILITIES**

Gujarat Industrial Development Corporation	4,65,90,433	—
Unpaid Dividend Accounts(As per Contra)	33,11,575	37,19,844(a)
Preference Share Redemption Account	60,00,000	60,00,000
Expenses Payable	2,51,537	14,49,796
Statutory Dues	77,007	12,683
	<u>5,62,30,552</u>	<u>1,11,82,323</u>

(a) Includes Rs.4,79,784/- due to be transferred to Investor Education and Protection Fund on 08.09.2011

NOTE 6**SHORT TERM PROVISIONS**

Provision for Employee Benefits	4,23,797	4,23,797
Proposed Dividend		
on Equity Shares	—	1,11,37,500
on Preference Shares	—	18,90,824
Tax on Proposed Dividends	—	21,13,520
Taxation	45,19,829	16,91,508
	<u>49,43,626</u>	<u>1,72,57,149</u>

NOTE - 7
FIXED ASSETS (FIGURES IN RUPEES)

Particulars	GROSSBLOCK (ATCOST)			DEPRECIATION			NETBLOCK		
	As at 01.04.2012	Additions	Adjustments/ Deductions	As at 31.03.2013	As at 01.04.2012	Provided during the year	Adjustments/ Deductions	As at 31.03.2013	As at 31.03.2012
A. Tangible Assets									
Freehold Land and Development	49,00,000	-	-	49,00,000	-	-	-	49,00,000	49,00,000
Leasehold Land and Development	-	18,44,30,489	(a)	18,44,30,489	-	-	-	18,44,30,489	-
Wind Mills	20,95,59,442	-	-	20,95,59,442	4,96,75,291	1,10,64,739	-	6,07,40,030	14,88,19,412
Office Equipments	-	3,03,250	-	3,03,250	-	27,124	-	27,124	2,76,126
Furniture & Fittings	-	1,35,315	-	1,35,315	-	11,535	-	11,535	1,23,780
Vehicles	35,68,742	8,99,349	19,12,273	25,55,818	12,58,857	2,54,283	9,26,387	5,86,753	19,69,065
Sub Total	21,80,28,184	18,57,68,403	19,12,273	40,18,84,314	5,09,34,148	1,13,57,661	9,26,387	6,13,65,442	34,05,18,872
B. Intangible Assets									
Computer Software	23,89,530	-	-	23,89,530	22,66,527	1,23,003	-	23,89,530	-
CDM-PROJECT	24,31,811	-	-	24,31,811	4,61,940	2,43,181	-	7,05,121	17,26,690
Sub Total	48,21,341	-	-	48,21,341	27,28,467	3,66,184	-	30,94,651	20,92,874
C. Capital Work in Progress (Refer Note 8)									
Total (As at 31.03.2013)	22,28,49,525	18,57,68,403	19,12,273	40,67,05,655	5,36,62,615	1,17,23,865	9,26,387	6,44,60,093	42,96,63,414
Total (As at 31.03.2012)	1,01,24,58,704	10,41,81,06	80,00,27,285	22,28,49,525	41,36,38,170	3,26,14,623	39,25,90,178	5,36,62,615	63,10,39,353

(a) Land allocated by GIDC (Gujarat Industrial Development Corporation) vide Offer-cum-Allotment letter on Licence basis on a lease of ninety nine years for which a lease deed is to be executed on fulfillment of terms and conditions contained in the Agreement.

KILBURN CHEMICALS LTD.

	31.03.2013 Rs.	31.03.2012 Rs.
NOTE 8		
CAPITAL WORK-IN-PROGRESS		
Project and Pre-Operative Expenditure (Pending allocation to Fixed Assets)		
Professional Charges	4,05,04,477	-
Gujarat Industrial Development Corporation - Charges	1,20,97,933	-
Gujarat Industrial Development Corporation - Interest	2,73,95,786	-
Travelling & Other Expenditure	6,15,783	-
Salaries & Wages etc.	40,85,360	-
Retainership & Trainee Expenses	7,01,720	-
Petty Expenses	3,86,808	-
Rent Paid	2,55,000	-
Sundry Expenses	11,44,051	-
Other Expenses	80,934	-
Gujarat Pollution Control Board	1,50,000	-
	<u>8,74,17,852</u>	<u>-</u>

NOTE 9**NON CURRENT INVESTMENTS**

Investment in Equity Shares (Associate)

Other than trade(Long Term) (At cost)

Unquoted :

75,000 Equity Shares of Rs.10/- each fully paid up of Kilburn Software Technologies India Limited.

7,50,000

7,50,000

Less: Provision for diminution in value

7,50,000

-

7,50,000

-

NOTE 10**LONG TERM LOANS AND ADVANCES**

(Unsecured, Considered good by the Management)

Capital Advances *

-

12,55,36,765* Capital Advances/Expenditure in connection with new project.
Also refer Note 8

KILBURN CHEMICALS LTD.

	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 11				
CURRENT INVESTMENTS				
(At Cost)				
Investments in Mutual Funds - Quoted, Fully Paid Up 440329.450 Units (P.Y. 440329.450 Units) of 1525 ICICI Prudential Flexible Income Plan Premium - Growth				
	8,42,15,664		19,08,78,001	
283380.888 Units (P.Y. 1245125.212 Units) of 1543- ICICI prudential Floating Rate Plan D - Growth				
	4,70,47,545	13,12,63,209	8,42,15,664	27,50,93,665
Aggregate Amount of Quoted Investments				
		13,12,63,209		27,50,93,665
Market Value of Quoted Investments				
		14,57,11,968		28,62,88,886

NOTE 12

Trade Receivables*

(Unsecured, Considered good
by the Management)

Outstanding for a period exceeding six months	2,85,27,306		83,07,211	
Others	40,28,369	3,25,55,675	1,04,27,985	1,87,35,196

* Includes Rs.41,44,845/-
(Previous year same amount)
due from a related party and not since
realised. (Refer Note 1 (viii) in Note 24)

NOTE 13**CASH AND CASH EQUIVALENTS**

Balances with Banks -

On Current Accounts	39,35,148 (a)	22,99,044 (a)
On Unpaid Dividend Accounts (As per Contra)	33,11,575	37,19,844
On Fixed Deposits	11,79,224 (b)(c)	10,89,141 (b)(c)
Cash in hand (as certified)	24,666	-
	84,50,613	71,08,029

(a) Includes Rs.5,701/- on no lien account.

(b) (i) Fixed deposit receipts lodged with various government agencies as security for which confirmation certificates were not available.

(ii) The fixed deposits have already matured and are still pending renewal.

(c) In view of Note (b) amount with more than 12 months maturity, if any, could not be ascertained and disclosed separately.

KILBURN CHEMICALS LTD.

	31.03.2013 Rs.	31.03.2012 Rs.
NOTE 14		
SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered good by the Management)		
LOANS		
Loan to a Body Corporate (Related Party) *	2,75,01,331	2,75,01,331
Taxes paid including tax deducted at source	55,23,432	-
Advances to Employees	1,10,687 (a)	55,187 (a)
Prepaid Expenses	31,59,485	26,54,074
Deposits	2,20,594	90,000
Service Tax Receivable	36,33,249	-
Others	1,55,800	2,06,150
	<u>4,03,04,578</u>	<u>3,05,06,742</u>

* There are no stipulations as to repayment of Principal or Interest. The loan is considered repayable on demand and in previous year was bearing interest.

The Management has considered the Loan as good on the basis of confirmation received from the said body corporate (M/s. Kilburn Office Automation Ltd.) (Refer Note 1 (viii) in Note 24)

(a) Includes Rs.1.11 Lacs (Previous Year Rs.0.55 Lacs) due by officer/s of the Company.

NOTE 15**OTHER CURRENT ASSETS**

(Unsecured, Considered good by the Management)

Exports benefits receivable	4,63,033	67,78,418
Income Tax Refundable	24,81,742	24,81,742
Sales Tax Refundable	14,62,540	14,62,539
Commodity Account Receivable	12,34,94,548	6,17,78,777
Interest Receivable	1,46,323	1,46,323
Windmill Income Receivable	-	1,27,92,500
	<u>12,80,48,186</u>	<u>8,54,40,299</u>

KILBURN CHEMICALS LTD.

	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 16				
Revenue from Operations				
Sale of Products (c)		2,71,22,118		1,01,86,09,506 (a)(b)
Less : Excise Duty		—		6,04,66,720
		<u>2,71,22,118</u>		<u>95,81,42,786</u>

(a) Includes Rs.17,53,65,727/- being stock of Finished Goods and Work in Process transferred on account of slump sales referred to in note 2 b of Note 24.

(b) Includes Rs.1,04,27,985/- for wind power generation adjusted in bills of the party (buyer) to whom slump sale was made. Such amount is on the basis of power bills received by the buyer from Tamilnadu State Electricity Board.

(c) Represents windmill power sales (P.Y. adjusted with Power & Fuel - refer Note 22)

Other Operating Revenues

Export benefits	—		93,22,180	
Sales of Scrap	—		2,52,758	
Sale of Effluent Rejection	—		5,67,979	
Sales - Hyd. Titania pulp	—	—	3,20,000	1,04,62,917
		<u>2,71,22,118</u>		<u>96,86,05,703</u>

NOTE 17**Other Income**

Interest Income		2,09,337 (a)		63,04,591
Income on Sale of Import Licences (relating to earlier year)		2,07,201		—
Gain on Sale of Current Investments (Mutual Fund Units)		1,81,69,545		87,03,417
Profit on Commodity Transactions (refer note 3 of Note 24)		98,15,171		3,27,856
Other Income		1,40,000		8,90,896
Exchange Fluctuation Gain (net)		—		9,85,763
		<u>2,85,41,254</u>		<u>1,72,12,523</u>

(a) Refer Note 1 (viii) in Note 24

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	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 18				
Cost of Materials Consumed				
Opening Stock	-		1,97,36,655	
Add : Purchases and Incidental Expenses	-	-	33,68,88,337	35,66,24,992
Less: Stock Transfer on account of Slump Sales	-		1,39,06,637 (a)	
Closing Stock	-	-	-	1,39,06,637
				<u>34,27,18,355</u>

(a) Refer note 2 (b) of Note 24

NOTE 19**Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade****Inventories (At Close)**

Finished Goods	-		-	
Work in Progress	-		-	
Traded Goods	-	-	-	-
Less : Inventories at Commencement				
Finished Goods	-		3,70,39,835	
Work in Progress	-		4,60,84,145	
Traded Goods	-	-	5,98,702	8,37,22,682
				<u>8,37,22,682</u>

NOTE 20**Employee Benefits Expense**

Salaries, Wages and Bonus etc.	54,43,663 (a)	3,00,17,376 (a)
Contribution to Provident and Other Funds	-	25,50,426
Staff Welfare Expenses	1,18,977	24,76,995
	<u>55,62,640</u>	<u>3,50,44,797</u>

(a) Includes Rs.5,00,000/- (P.Y. Rs. 3,12,967/-), disputed labour demands, relating to earlier years. (also refer Note 1 (vii) under Note 24)

NOTE 21**Finance Costs****Interest Expense****Interest on :**

Term Loans	-	1,07,47,582
Working Capital Finance from Banks	-	1,36,06,059
Others	-	13,29,867
Other Borrowing Costs		
Bank Charges	69,338	21,74,777
	<u>69,338</u>	<u>2,78,58,285</u>

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	31.03.2013		31.03.2012	
	Rs.	Rs.	Rs.	Rs.
NOTE 22				
Other Expenses				
Consumption of Stores and Spare Parts etc.		–	5,02,18,563	
Power & Fuel		–	16,49,20,432	(a)
Rent		18,65,293	54,45,166	
Repairs to Buildings		–	90,07,141	
Repairs to Machinery		–	3,17,82,537	
Repairs to Others		–	1,79,98,333	
Effluent Disposal		–	4,03,22,276	
Insurance		99,001	6,25,985	
Rates & Taxes		2,04,337	4,89,473	
Packing and Forwarding Charges		26,41,479 (c)	1,45,20,604	
Miscellaneous Expenses		16,79,359	1,19,65,826	(b)
Payment to Auditors		3,83,835	4,16,611	
Commission		–	63,46,535	
Wind Mills Maintenance and Other Charges		51,87,883	–	(d)
Vehicles Maintenance		4,20,077	–	(d)
Loss on Sale of Fixed Assets		3,10,886	–	
Professional Charges		11,32,526 (e)	–	
Director Travelling Expenses		14,14,551 (e)	–	
Other Travelling Expenses		5,51,013 (e)	–	
		<u>1,58,90,241</u>	<u>35,40,59,483</u>	

(a) After adjustments of Rs.1,78,27,094/- towards deductions/realisations for wind power generation.

(b) Includes Rs. 20,365/- for payment to Auditors.

(c) Relating to earlier year.

(d) In previous year regrouped with Repairs to Machinery/Others.

(e) In previous year regrouped with misc. expenses.

NOTE 23**Extraordinary Items***

Gain on slump sale of chemical division		–	35,94,56,606
Less: Expenses directly attributable to above sale		–	5,79,54,342
(Legal and Professional charges exclusive of service tax of Rs.59,17,707/-)		–	<u>30,15,02,264</u>

* Refer Note 2 in Note 24

NOTE 24

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES :

(i) Basis Of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India. The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements are prepared under the historical cost convention on an accrual basis.

All the assets and liabilities have been classified as current or non current as per Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act,1956. 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 requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

(iii) Fixed Assets and Depreciation

a. Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost (net of CENVAT, VAT and Service Tax credits) is inclusive of freight, duties and levies and any directly attributable cost of bringing the assets to their working condition for intended use. Interest and other borrowing costs on borrowed funds, wherever applicable, used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised and included in the cost of the asset.

b. Depreciation on Tangible Assets –

- (i) The cost of leasehold land and development is to be amortised yearly over the balance period of the lease proportionately from the date of commercial production.
- (ii) Depreciation on other fixed assets is provided pro-rata to the period of use on straight line method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.
- (iii) Assets of value not exceeding Rs.5000/- are fully depreciated in the period of purchase.

c. Intangible Assets and Amortisation of Intangible Assets

- (i) Computer Software is recognized at cost and amortised over a period of five years.
- (ii) The Expenditure incurred on "CDM" project has been considered by the Company as "Intangible Assets-CDM Project" and amortised over a period of Ten years (life of the CDM Project) (also refer Note (vii) below).

(iv) Investments

Investments that are readily realizable 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 non-current investments. Current investments are carried at cost or fair value whichever is lower. Non-current investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for each investments.

(v) Inventories

The Company had no inventories either as on 31.3.2013 or as on 31.3.2012.

(vi) Excise Duty and Cenvat/VAT/Service Tax Credits

Benefits of Cenvat/VAT and Service Tax Credits (to the extent claimed/availed) are accounted for by adjusting to the cost of relative fixed assets/ materials/expenses.

(vii) Recognition of Revenue and Expenditure

- (a) Income and Expenditure considered receivable and payable respectively, are accounted for on accrual and prudent basis.

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(b) Turnover/Sales

- (i) There were no sales of products during the year.
- (ii) Windmill power sales has this year been considered by the management as Revenue from Operations and accordingly disclosed in Note 16. In previous year such sales were adjusted with Power & Fuel in Note 22.
- (iii) In previous year :
 - a) Domestic sales were recognized on despatch of goods and were inclusive of excise duty but excluding sales tax/vat.
 - b) Export Sales were recognized on the basis of dates of Bills of Lading and were exclusive of excise duty as such Export Sales were being made without payment of excise duty.
 - c) Export Benefits - Consideration/Benefits for transfer of DEPB licences and benefits (including for entitlements in hand as on the close of the period and/or to be received) were accounted for on accrual basis and were being valued at estimated and/or at net estimated realizable value. Adjustments for short / excess realizations, if any, are to be made on actual dates of realizations.
 - d) Interest on refunds of Government dues and disposal of Scrap/residual materials, if any, are intended to be accounted for as and when the amounts are finally determined and /or materials disposed off.
 - e) Profit from Commodities (futures) is recognized when payment is due at the end of the settlement period. (also refer Note 3 below).
 - f) Self-generated Certified Emission Reductions (CERS) under the Clean Development Mechanism (CDM):

United Nations Framework Convention on Climate Change (UNFCCC) has registered the Company's "CDM" project on 21-04-2009. Considering the "Exposure Draft of Guidance Note on Accounting for self-generated Certified Emission Reductions (CERS)" issued by ICAI, "CERS"/income are to be recognized in the accounts only when the "CERS" are issued/credited/sold/ certified by "UNFCCC".
 - g) Income tax demands of Rs.Nil (P.Y. Rs.9374869/-) for an earlier year(against which appeals for non allowability of, brought forward losses relating to certain earlier years are pending) and compensation and/or disputed labour demands of Rs.5,00,000/- (P.Y. Rs.312967/-) relating to earlier years have been paid and/or debited to Statement of Profit and Loss during the year. Refunds / reliefs, if any (including interest) against such payments / debits, the amount whereof are not presently ascertainable, are intended to be accounted for as and when the pending appeals / matters are settled and or refunds received.
 - h) Provision for long and short term loans and Advances, Trade Receivables and Other current assets including trade receivables and loan due from a body corporate (related party) brought forward from earlier year(s) and or not since realised /adjusted, and outstanding as on 31.03.2013, which may not be recoverable, the amounts whereof has not been ascertained and stated, is intended to be made as and when such amounts are found to be irrecoverable and or the amounts are determined.
 - i) Adjustments relating to amounts included under current/non-current liabilities and brought forward since earlier year(s) and not since paid/adjusted are intended to be made as and when such amounts are determined.
 - j) Unlike as in previous year, interest of Rs.33,65,233/- receivable on loan of Rs.2,75,01,331/- from a related party (refer Note 14) is intended to be accounted for as and when the same is received. Due to such change in accounting the profit for the year is reduced by Rs.33,65,233/-.

(viii) Employee benefits

- (a) The management has certified that there is no liability (except as stated under (b) below) for gratuity/retirement benefits/leave encashment benefits as on 31.3.2013 and therefore provisions of Accounting Standard (AS-15) issued by ICAI is not applicable for the year.

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- (b) The liability for gratuity and other retirement benefits etc. payable to the Managing Director and certain other employees for the period upto 31.3.2013 has neither been provided nor amount ascertained and stated which is contrary to Accounting Standard (AS-15) issued by ICAI.
 - (c) In previous year, the Company had provided for these liabilities till 14.10.2011. Any future liability in this regard will be accounted for as and when ascertained and paid. The amounts are presently not ascertainable and hence not stated.
- (ix) Foreign Currency Transactions**
- (a) In previous year :
 - (i) All transactions in foreign currency were recorded at the rates of exchange prevailing on the dates when the relevant transactions took place.
 - (ii) Foreign currency monetary items at the Balance Sheet date were translated at the exchange rate prevailing on the date of the Balance Sheet.
 - (iii) Exchange rate differences resulting from foreign exchange transactions on revenue account, settled during the period, including on period end translation of monetary items, were recognized in the statement of Profit and Loss.
 - (b) There were no exchange rate differences resulting on capital account either during this year or in previous year.
 - (c) There were no outstanding foreign exchange contracts as on 31.03.2013 and as on 31.3.2012.
- (x) Borrowing Costs**
- (a) Interest and other costs on borrowed funds, wherever applicable, used to finance the acquisition of fixed assets, upto date the assets are ready for use, are estimated and capitalised under respective fixed assets.
 - (b) Other interest and costs incurred on borrowed funds are recognised as expense in the period in which they are incurred.
- (xi) Taxation**
- (a) Current Tax - Provision for tax Rs.45.00 Lacs (MAT) (P.Y. Rs.13.61 crores - including capital gain tax on slump sales) is as estimated and certified by the management and has been made at prevailing tax rates and in previous year was after adjusting available MAT Credit and tax benefits. Final tax liability is to be determined only at the time of filing Tax return.
 - (b) The Company is entitled to further credit in respect of Minimum Alternate Tax (MAT) under the provisions of Income Tax Act, 1961. However, keeping in view the consideration of prudence and probability of availability/availing the MAT credit (which is based on convincing evidence of realization as envisaged by the Guidance Note issued by ICAI), MAT credits, the amount, whereof is not presently ascertainable, has not been considered by the Company.
 - (c) Deferred Tax – The deferred tax liabilities or assets are recognised using current tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realized/adjusted. Such assets/liabilities are reviewed as at each Balance Sheet date, to reassess realizations/liabilities.
- (xii) Impairment of Assets**
- As required by AS-28 issued by The Institute of Chartered Accountants of India, provision for impairment loss of assets is not required to be made as in view of the management, the estimated realizable value of such assets will be more or equal to the carrying amount stated in the Balance Sheet and the auditors have relied on the certificate of the management in this regard.
- (xiii) Provisions, Contingent Liabilities and Contingent Assets**
- a) Provisions are recognised in respect of obligations where, based on the evidences available and their existence at the Balance Sheet date are considered probable.
 - b) Contingent liabilities are shown by way of Notes on Accounts in respect of obligations where, based on the evidences available, their existence at the balance sheet date is considered not probable.
 - c) Contingent Assets are neither recognized nor disclosed in Accounts.

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2. SLUMP SALE IN PREVIOUS YEAR

- (a) The Company had sold its chemical division situated at Tuticorin, Tamilnadu on a slump sale basis to a party as a going concern effective from 14.10.2011 vide Business Transfer Agreement dated 01.10.2011. The consideration initially agreed at Rs.101 Crores was subject to adjustments as per aforesaid agreement. After adjustments such amount had been determined at Rs.96.44 Crores.
- (b) To reflect a true and correct picture of operations of the Company till 14.10.2011, Inventories of Finished Goods, Work in Process and Traded goods transferred in pursuance to the aforesaid agreement were included in amount of sales reflected under Revenue from Operations (Note 16) of the statement of Profit and Loss. Transfer of stock of Raw Materials was also accordingly adjusted in Cost of Materials Consumed (Note 18) of the Statement of Profit and Loss.
- (c) Gain on such slump sale and direct expenses (net of service tax) incurred for making the sale were reflected as Extraordinary Items (Note 23) in the Statement of Profit and Loss.
- (d) As per Business Transfer Agreement dated 01.10.2011, all fixed assets, Capital Work in Process, current assets and statutory / other liabilities (including liabilities for sales tax, excise, service tax, labour dues etc.) as on 14.10.2011 and considered to be relating to the chemical division had been taken over by the buyer of the chemical division.
- (e) The buyer of the chemical division had withheld a portion of the consideration as stated in clause (a) above to be released only upon conclusion of assessment proceedings under Tamil Nadu Value Added Tax Act, certain pending CENVAT proceedings and submission to the party certificate under section 281 of The Income Tax Act, 1961. According to the management, relevant proceedings are to be concluded in the financial year ending 31.03.2014. Such amount is therefore considered as current assets. Final adjustment is to be made only after proceedings attains finality, the amount in respect of which can not be ascertained presently for provision, if any, necessary.
- (f) In view of above slump sale, Company's results of this year are not comparable with previous year results.
3. The Company is engaged in activity of purchase/sale of various commodities (Castor Seed & Raw Wool). A total quantity of 5,60,585 Bags (P.Y. 25,600 Bags) of various commodities have been purchased for Rs.6395.41 Lacs (P.Y. Rs.771.06 Lacs) and 5,38,070 Bags (P.Y. 5,400 Bags) have been sold for Rs.5876.40 Lacs (P.Y. Rs.156.55 Lacs) during the year. Gain realized, at the end of settlement period, on such transactions has been considered as profit for the year. Payments (outstanding) made by the Company have been considered under Other Current Assets (Note 15).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs.Nil (P.Y.Rs.1208.13 Lacs) is Rs.1262.78 lacs (P.Y. Rs.1339.02 lacs).
5. Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts – Rs.Nil (P.Y – Rs.26.41 Lacs). Except as stated above, the management has certified that there are no other pending cases and/or claims against the Company.
6. In the opinion of the Board of Directors, all the assets other than fixed assets and non current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provisions for liabilities are adequate and not in excess of the amount reasonably necessary.
7. Accounts in respect of Liabilities, Trade Receivables, Loans, Advances and Other Assets are subject to confirmations of respective parties.

8) (i) Amount paid/payable to Auditors.	31.03.2013	31.03.2012
(a) Statutory Audit fee	2,30,000	2,30,000
(b) Tax Audit Fee	45,000	45,000
(c) Limited Review of Quarterly Un-audited results	25,000	40,000
(d) Certification for Corporate Governance and others	32,500	50,000
(e) For reimbursement of expenses	10,238	71,976
(f) Service tax/cess	41,097	37,596
	<u>3,83,835</u>	<u>4,74,572</u>

KILBURN CHEMICALS LTD.

- (ii) Prior period items debited under respective account heads in the statement of profit & Loss.

Particulars

Export Benefits	-	10,949
Repairs & Maintenance etc.	-	23,122
Miscellaneous Expenses	-	15,494
Commission	-	50,587
	<u>-</u>	<u>1,00,152</u>

- (iii) Movements for Provisions for Retirement Benefits

	31-03-2013	31-03-2012
	Rs. (in lacs)	Rs. (in lacs)
Balance as on 1.4.2012/1.4.2011	4.24	36.30
Additions during the period	-	9.30
Reversals/adjustments during the period	-	41.36
Balance as at 31.03.2013/31.3.2012	4.24	4.24

- (iv) There were no period end foreign currency exposures that have not been hedged by derivative instrument or otherwise.
- (v) (a) The amount of Rs.4,79,784/- lying in Unpaid Dividend Account 2003-2004 of the Company has been transferred to the Investor Education and Protection Fund as per provisions of Section 205C of the Companies Act, 1956 on 22.11.2012 against the due date of 8.9.2011.
- (b) The amount of Rs.6,67,332/- lying in Unpaid Dividend Account 2004-2005 of the Company has been transferred to the Investor Education and Protection Fund as per provisions of Section 205C of the Companies Act, 1956 on 4.3.2013 against the due date of 24.9.2012.

9) Earnings per share (EPS)

The numerators and denominators used to calculate basic and diluted earnings per share.

	31.03.2013	31.03.2012
(i) Profits (after tax and in previous year after dividend on preference shares) attributable to the equity share holders (subject to notes on accounts) (A)	Rs.2,11,87,278/-	Rs.23,82,55,671/-
(ii) Basic / weighted average number of Equity Shares outstanding during the year (B)	7425000	7425000
(iii) Nominal value of Equity Shares	Rs.10/-	Rs.10/-
(iv) Basic and Diluted Earnings per share (A)/(B)	Rs.2.85 P.	Rs.32.09 P.

Calculation of EPS before extraordinary items (relevant for year ending 31.03.2012)

Profit before extraordinary items	5,76,31,470
Less : Pref. share dividend and tax	(21,97,563)
Balance profit	5,54,33,907
No. of Equity shares	7425000
EPS before extraordinary items	Rs.7.47P

10) Segment Reporting

- a) The Company is advised that the activities of the Company in respect of various commodities, as referred to in Note 3 above, do not constitute trading activity in the context of Accounting Standard 17 on "Segment Reporting" and therefore such transactions have not been constituted as "Segment". The Company's operations during the year comprises of only one segment i.e. Windmill Power Sales. The Auditors have relied on the said opinion in this regard.

KILBURN CHEMICALS LTD.

b) Identification of Segments:

In previous year, the Company was primarily engaged in the business of manufacture and sale of chemicals (upto 14.10.2011). The Company had identified two primary business segments, namely Chemicals and Power used for chemical division, which in the context of Accounting Standard-17 on "Segment Reporting" constituted reportable segments during the year ended 31.3.2012.

i) Information about Primary Business Segments (Rupees in Lacs)

Particulars	31.03.2012		Total
	Chemical	Power	
Revenue			
External Sales	9,477.15	104.28	9,581.43
Inter Segment Revenue	–	178.27	178.27
Total Revenue	9,477.15	282.55	9,759.70
Segment Results			
Segment/ Operating Results	791.64	134.23	791.64
Un-allocated Items:			
Income			3,187.15
Provision for Taxation			1,708.49
Net Profit			2,404.53
Other Information			
Segment Assets	NIL	1,838.93	1,838.93
Unallocated			5,277.55
Total Assets			7,116.48
Segment Liabilities			NIL
Un-allocated Liabilities & Provisions			7,116.48
Total Liabilities			7,116.48
Depreciation	208.97	117.18	326.15
Total Cost incurred during the year to acquire Segment Assets	93.06	11.12	104.18

Note :

Inter Segment transfer from the power segment was measured at the rate at which power was purchased/ sold to the respective Electricity Board.

ii) Geographical Segment

The analysis of Geographical Segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows :

- i) Sales within India include Sales to customers located within India.
- ii) Sales outside India include Sales to customers located outside India.

c) Information pertaining to Geographical Segment

(i) Gross Revenue as per Geographical locations

	31-03-2013	31-03-2012
Within India	2,71,22,118 (b)	87,03,30,748
Outside India	–	14,82,78,758 (a)
	<u>2,71,22,118</u>	<u>1,01,86,09,506</u>

KILBURN CHEMICALS LTD.

(a) Includes Rs.27,68,000/- Exports through Export Houses/ Merchant Exporters.

(b) Represents Wind Turbine Generator (WTG) power sales.

ii) Fixed Assets as per Geographical locations

The Company has common fixed assets for producing goods for domestic as well as overseas market. Hence, segment wise information for fixed assets / additions to fixed assets cannot be furnished.

11) Related Party Disclosures

(Particulars identified by the Company on the basis of information available and have been relied upon by the Auditors)

i) List of related parties :**A. Key Management Personnel and their relatives**

- 1) Mr.S.K. Jalan (Managing Director)
- 2) Mr.B.P. Jalan (Father of Mr.S.K. Jalan) (Director)
- 3) M/s. Bajarang Prasad & Son (HUF) [Mr.B.P. Jalan (Father of Mr.S.K. Jalan) is Karta]

B. Enterprise over which Key Management Personnel and relative of such Key Management Personnel exercise significant influence

- 1) Kilburn Office Automation Limited
- 2) Kilburn Software Technologies Limited
- 3) Shree Durga Agencies Ltd
- 4) Buckingham Financial Services Ltd
- 5) Pushpdant Vyapaar Private Ltd
- 6) Arham Vyapaar Private Ltd.
- 7) Maryada Advisory Services Private Ltd
- 8) Kilburn Pigments Ltd

ii) A. Transactions with related parties (Key Management Personnel and relatives of Key Management Personnel)

Nature of Transactions	31.03.2013	31.03.2012
1. Rent paid	12,60,000	12,60,000
2. Managerial Remuneration	42,06,130	47,69,180
3. Amount due (at credit)	-	1,67,858
4. Proposed Dividend on Equity Shares	-	38,033
5. Directors Sitting Fees	12,000	16,000
6. Number of Equity Shares held	25,355	25,355

B. Transactions with parties referred to in para B above

1. Loans given	75,00,000	-
2. Refund of loans	75,00,000	22,00,000
3. Loan Amount outstanding	2,75,01,331	2,75,01,331
4. Interest Received/Receivable on loans	1,09,315	34,63,954
5. Service charges paid	-	17,01,175
6. Outstanding Payable	-	8,86,128
7. Purchase of goods	-	28,856
8. Expenses reimbursed	8,208	32,269
9. Outstanding Debtors	41,44,845	41,44,845
10. Outstanding Investments	7,50,000	7,50,000
11. Provision for diminution in value of Investments	7,50,000	7,50,000
12. Reimbursement of Payments	-	6,30,07,419

iii) No amounts were written-off or written-back during the period in respect of debts due from or to related parties.

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- 12) The disclosures required as per the revised Accounting Standard (AS) 15 – Employee Benefits notified under the Companies (Accounting Standards) Rules, 2006 for the year ended 31.3.2012 (upto 14.10.2011). Also refer Notes 1(viii) and 2 above.

Defined-Contribution Plans

The Company offered its employees defined contribution plan in the form of provident fund (PF), family pension fund (FPF) and Employees Insurance Scheme (ESI). Provident Fund, family pension fund and Employees State Insurance Scheme cover substantially all regular employees. Contributions were paid during the period into separate funds under certain fiduciary-type arrangements. Both the employees and the Company paid predetermined contributions into the provident fund, family pension fund and the Employees State Insurance Scheme. The contributions were normally based on a certain proportion of the employee's salary.

Contribution to Defined Contribution Plans, recognized and charged off for the year were as under (excluding for on contractors payments)

	Rs.
Provident Fund	6,66,169
Family Pension Fund	5,30,542
Employees State Insurance Scheme	2,38,617

Defined-Benefit Plans

The Company offered its employees Defined-Benefit Plans in the form of a gratuity scheme. Benefits under the defined benefit plan was typically based either on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covered substantially all regular employees. The Company contributed funds to Life Insurance Corporation of India, which was irrevocable Commitments were actuarially determined at period-end. The actuarial valuation was done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions were charged to the statement of Profit and Loss. The obligation for leave encashment was recognized in the same manner as gratuity.

	31.03.2012	
	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.
(a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit obligation at beginning of the period	75,46,265	21,77,556
Current Service Cost	3,23,018	1,84,644
Interest Cost	3,24,943	83,073
Actuarial gain/(loss)	1,35,903	1,40,855
Benefits paid	8,87,279	5,20,958
Defined Benefit obligation at period end	74,42,850	20,65,170
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period	60,94,011	–
Expected return on plan assets	2,62,409	–
Actuarial gain/(loss)	–	–
Employer contribution	14,52,254	5,20,958
Benefits Paid	8,87,279	5,20,958
Fair value of plan assets at period end	69,21,395	–
The Plan Assets of the Company are managed by the LIC and the composition of investments relating to these assets are not available with the Company.		

KILBURN CHEMICALS LTD.

	31.03.2012	
	Gratuity (Funded) Rs.	Leave Encashment (Unfunded) Rs.
(c) Reconciliation of fair value of Assets and obligations		
Fair value of plan assets as at 14.10.2011	69,21,395	-
Present value of obligation as at 14.10.2011	74,42,850	20,65,170
Amount recognized in Balance Sheet	5,21,455	20,65,170
(d) Expenses recognized during the period (Under the head Employee Benefits Expenses – Note 21)		
Current Service Cost	3,23,018	1,84,644
Interest Cost	3,24,943	83,073
Expected return on plan assets	2,62,409	-
Actuarial gain/(loss)	1,35,903	1,40,855
Net Cost	5,21,455	4,08,572

(e) The actuarial calculations used to estimated defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements.

Particulars	31.03.2012	
Discount Rates	8%	8%
Salary Escalation	3%	8%
Expected Rate of return on plan assets	8%	-
Mortality Rate (LIC)	1994-96 duly modified	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors such as demand and supply in the employment market. The above information was as submitted and or obtained from LIC/Actuary and relied upon by the Auditors.

The contribution expected to be made by the Company for the year ending 31-03-2013 could not be readily ascertained and therefore not disclosed.

13) Supplementary Statutory Information

	31.03.2013 Rs.	31-03-2012 Rs.
(i) C.I.F Value of Imports		
Raw materials	-	2,37,99,666
	<u>-</u>	<u>2,37,99,666</u>
(ii) Expenditure in Foreign Currency		
Travel (purchase of travellers cheques / foreign currencies/ exchange)	5,43,295	6,30,971
Commission(on remittance basis)	-	3,74,674
	<u>5,43,295</u>	<u>10,05,645</u>

KILBURN CHEMICALS LTD.

(iii) Value of Raw-materials and stores and spare parts etc. consumed and percentage to total consumption:

	Rs.	%	Rs.	%
(a) Raw materials:				
Indigenous	-	-	31,89,18,689	93.05
Imported	-	-	2,37,99,666	6.95
			<u>34,27,18,355</u>	<u>100.00</u>
(b) Stores and spare parts etc.	-	-	5,02,18,563	100.00

(iv) Amount remitted during the period in foreign currency on account of dividend :

(a) Number of Non-Resident Shareholders	24	22
(b) Number of Shares held by them	13,824	13,606
(c) Amount of Dividend Paid(Gross)	Rs. 20,736	Rs.13,606
(d) Year to which Dividend relates	31.3.2012	31.03.2011

(v) Earnings in Foreign Exchange

Export of Goods calculated on FOB basis	-	14,55,10,758(a)
(a) Excluding Rs.27,68,000/- exports through Export Houses/Merchant Exporters.		

(vi) Raw Materials Consumed:

Description of materials	31-03-2013 Rs.	31-03-2012 Rs.
Ilmenite	-	16,24,36,141
Scrap Iron	-	2,84,89,760
Sulphuric Acid	-	12,54,47,047
Others	-	2,63,45,407
	<u>-</u>	<u>34,27,18,355</u>

(VII) DETAILS OF PRODUCTS SOLD:

A) MANUFACTURED GOODS SOLD		
Titanium Dioxide	-	78,49,20,994
Ferrous Sulphate	-	4,78, 94,800
B) OTHERS	-	18,57,93,712 *
	<u>-</u>	<u>1,01,86,09,506</u>

*Includes Stock transfer of Rs.17,53,65,727/-

- 14) The position of Company Secretary of the Company was vacant from 17.06.2006 till 02.09.2012.
- 15) (i) The Company has given loans to a body corporate (outstanding balance as on 31.3.2013 Rs. 2,75,01,331/- (Previous year Rs. 2,75,01,331/-).The Company is taking steps to obtain legal opinion regarding applicability of section 295 of the Companies Act, 1956 for doing the needful in this regard.
- (ii) The Company is taking steps to obtain legal opinion regarding applicability of Section 372A (3) of the Companies Act, 1956, in respect of interest of Rs.33,65,233/- receivable from a related party, this year, being accounted for as and when the same is received (also refer Note 1 (vii) (j) above).
- 16) Steps are being taken either to recover or obtain the approval/consent of the concerned authorities in respect of excess remuneration of Rs.6,06,130/- as calculated and certified by the Management, paid to the Managing Director, which have been debited to the statement of profit and loss.
- 17) The previous years figures have been regrouped, rearranged and recasted wherever considered and found necessary to conform with this year's classification.

18. CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES FOR THE YEAR ENDED 31ST MARCH, 2013

	31-03-2013 (Rs. in lacs)	31-03-2012 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax and extraordinary Items	224.17	1,098.00
Adjustments for:		
Depreciation	117.24	326.15
Interest received	(2.09)	(63.05)
Interest paid	-	256.84
Loss on assets Sold	3.11	-
Exchange difference(Net)	-	(9.86)
Operating Profit before Working Capital Changes	<u>342.43</u>	<u>1,608.08</u>
Adjustments for:		
Trade and other receivables	(606.64)	384.75
Inventories	-	1,588.91
Trade payables and other liabilities	530.34	(1,048.42)
Cash Generated from Operations	<u>266.13</u>	<u>2,533.32</u>
Taxes Paid	(71.94)	(1,422.59)
Net cash from operating Activities	<u>194.19</u>	<u>1110.73</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets / Capital work in progress	(1,476.49)	(1,037.37)
Sale of Fixed Assets	6.75	7,089.39
Acquisition of Investments	1,438.31	(2,750.94)
Interest Received	2.09	63.05
Exchange difference (Net)	-	9.86
Net Cash used in Investing Activities	<u>(29.34)</u>	<u>3,373.99</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Shares	-	(274.00)
Proceeds from Borrowings	-	(4,032.11)
Interest paid	-	(302.10)
Dividend paid (including dividend tax)	(151.42)	(136.19)
Net Cash used in Financing Activities	<u>(151.42)</u>	<u>(4,744.40)</u>
Net Increase / (Decrease) in Cash & Cash equivalents	13.43	(259.68)
Cash & Cash equivalents at start of year	71.08	330.76
Cash & Cash equivalents at close of year	84.51	71.08

Notes :

- (1) The above statement is subject to and read together with the notes and observations on Accounts and Schedules attached thereto.
- (2) 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.
- (3) Cash & Cash equivalents at start and close of year includes balances on unpaid dividend accounts.
- (4) Previous year's figures have been regrouped, rearranged and recasted wherever found necessary.

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

Signatures to Notes "1" to "24".

As per our attached Report of even date.

For **G. P. KEJRIWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 302201E

K. K. SINGHAL

Partner M. No. 50140

5, Clive Row, Kolkata - 700001

Dated : 30th May, 2013

S. K. JALAN
Managing Director

VANCHI
Director

KILBURN CHEMICALS LTD.

Registered Office :

New No. 23, Old No. 12, Neelakanta Mehta Street, T. Nagar, Chennai – 600 017

PROXY

Regd. Folio No. / DP ID / Client ID

I/We
..... of being
a member / members of KILBURN CHEMICALS LTD. hereby appoint
..... of
of failing him
of

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting to be held on Monday the 19th day of August, 2013 at 11.00 A.M. at the Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018 at any adjournment thereof.

Dated this.....day.....2013.

Signature

Affix
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the meeting.

KILBURN CHEMICALS LTD.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Regd. Folio No. / DP ID / Client ID

Name of the Share held

Name & Address

I hereby record my presence at the Annual General Meeting held on Monday the 19th day of August, 2013 at 11.00 A.M. the Narada Gana Sabha (Mini Hall), 314, T. T. K. Road, Alwarpet, Chennai 600018.

Signature of the Shareholder / Proxy

Note : Shareholder / Proxyholder desiring to attend the meeting are requested to bring their copy of their Annual Report for reference at the meeting.

KILBURN CHEMICALS LTD.
New No. 23, Old No. 12, Neelakanta Mehta Street
T. Nagar, Chennai 600 017

Dear Shareholder,

Sub: Green Initiative

Ministry of Corporate Affairs (MCA) has recently issued Circulars regarding 'Green Initiative' in Corporate Governance by allowing paperless compliances by serving documents through electronic mode. Accordingly, we propose to send all future shareholders' communications like Notices, Company's Annual Reports etc. through electronic mode. This will ensure prompt receipt of communication, avoid loss in postal transit and most importantly, will enable your Company to help in conservation of forest resources.

If you are holding shares in electronic form, we would request you to register your e-mail address with your Depository Participant at the earliest, in case you have not already done so. You are also requested to intimate to the Depository Participant the changes, if any, in your registered addresses, e-mail id and/or changes in your bank account details. You are not required to re-register unless there is a change in your e-mail address etc.

If you are holding shares in Physical form, you may kindly provide your e-mail address to our Registrar & Share Transfer Agents at the following address for receiving the documents in electronic mode.

Maheshwari Datamatics Private Limited
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd Floor, Kolkata 700 001
Phone: +91 (033) 2243-5809/5029, 22482248
Fax No: +91 33 22484787
E-mail: mdpl@cal.vsnl.net.in/mdpldc@yahoo.com

We appreciate the 'Green Initiative' taken by MCA and trust you would help in implementing the e-governance initiative of the Government.

With best wishes,

Thanking you,
Yours faithfully,

KILBURN CHEMICALS LTD.
S. K. JALAN
MANAGING DIRECTOR

The Director
Maheshwari Datamatics Private Limited
Unit: Kilburn Chemicals Ltd.
6, Mangoe Lane, Surendra Mohan Ghosh Sarani
2nd Floor, Kolkata 700 001

Sub: E-mail updation

Dear Sir,

In view of the MCA Circulars bearing no. 17/2011 dated 21st April 2011 and No. 18/2011 dated 29th April 2011 I,, Son of/Daughter of/Wife of holding shares of ('the Company') bearing Folio No. /DP ID Client Id do hereby wish to receive all future communications/requisite documents of the Company at the following E-mail id:

E-mail id :

You are requested to please update the same in your Book of Records.

Signature:-

Name of Sole/First holder

Name of second holder

Name of Third holder

BOOK POST

If undelivered please return to :

MAHESHWARI DATAMATICS PVT. LTD.

Unit : Kilburn Chemical Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001