



KPL INTERNATIONAL LIMITED

chemistry of partnerships

ANNUAL
REPORT

2019-20



KPL INTERNATIONAL LIMITED

chemistry of partnerships

BOARD OF DIRECTORS

R. V. KANORIA, Chairman
S. V. KANORIA
A. V. KANORIA
VAIDEHI KANORIA
ROHIT MUNDRA
VINAY KUMAR BAGLA
SURINDER KUMAR KAK, Managing Director

AUDITORS

Singhi & Co.
Chartered Accountants
Noida (Delhi NCR)

BANKERS

HDFC Bank Ltd.
Vatika Atrium, Block A,
Sector- 53, Gurugram 122002
Yes Bank Ltd.,
D-12, South Extension,
Part - II, New Delhi- 110049

REGISTERED OFFICE

212A, 216 & 222, 2nd Floor, Indraprakash
21, Barakhamba Road
New Delhi - 110 001
CIN: U23209DL1974PLC029068
Phone: +91 11 43579200
Fax: +91 11 23717203

CORPORATE OFFICE

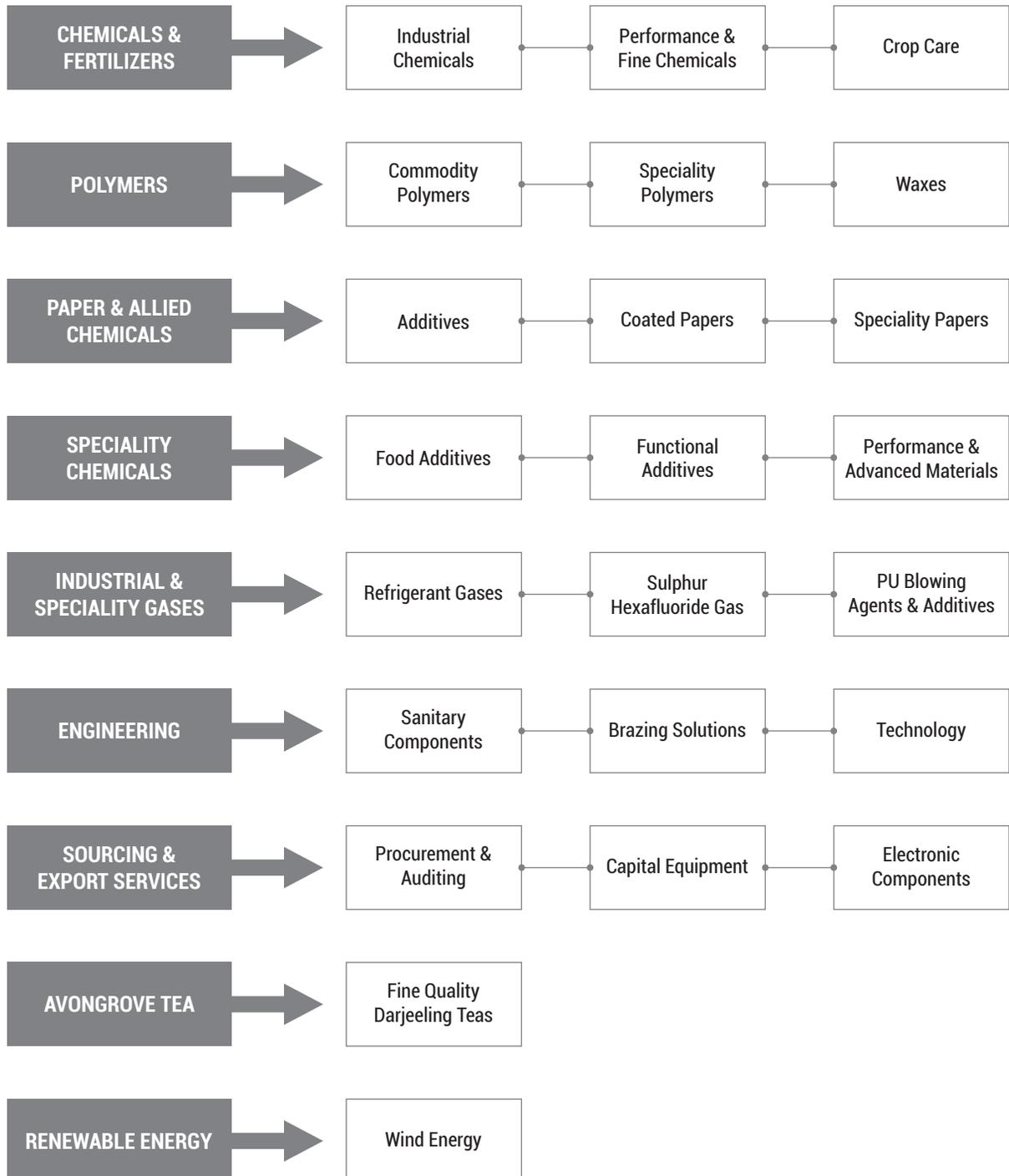
Statesman House
10th Floor, A-Wing
148, Barakhamba Road
New Delhi - 110 001
Phone: +91 11 43606200
Fax: +91 11 23355824
Email: info@kplintl.com
Website: www.kplintl.com

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Private Limited
B-25/1, 1st Floor
Okhla Industrial Area, Phase - II
New Delhi - 110 020
Phone: +91 11 26387320
Fax: +91 11 26387322
Email: shares@rcmcdelhi.com

KPL INTERNATIONAL LIMITED

Business Divisions



KPL International Limited (KPL) specializes in the marketing of quality products in India, such as chemicals, polymers, paper and paper chemicals, industrial gases and allied products sourced from globally acclaimed manufacturers. ISO 9001 quality certification and process specialization in marketing, distribution and sourcing enables KPL to represent 35 global giants and over 3,500 customers that includes many of the finest Indian business houses. KPL provides a basket of services and end-to-end solutions to customers. For successive years, KPL has been ranked in the list of ICIS Global Top 100 chemical distributors.

KPL continues to grow in a variety of market segments by responding to the fast- changing needs of its customers with unrivalled customer service and satisfaction. It operates on a SAP ERP platform that helps the company in accessing critical business information in real time and managing this information as per global standards.

KPL has expanded its services to cover engineering products like brazing alloys that have high end application in automotive and aerospace industries for supply to companies across India. Another area of recent focus is bio-polymers that reduce the need for conventional plastics. And as an environment friendly product, application areas are expected to grow rapidly. KPL continues to develop these segments by way of establishing joint ventures, exclusive representation, distribution and business development for products directed at emerging markets.

As a part of its diversification plans, KPL acquired the Avongrove Tea Estate located near Darjeeling in the state of West Bengal. Apart from being certified as an organic tea estate under US Department of Agriculture (USA), Japanese Agricultural Standards (Japan) and National Programme for Organic Production (India & the EU), this business segment also received the Certificate of Fairtrade from Flo-Cert GmbH, Germany for conformation to labour and trade standards.

The Industrial Gas Division of KPL has set up a gas refilling plant at Ankleshwar in the state of Gujarat. The plant in association with Daikin Refrigerants GmbH of Germany refills and distributes R134a gas used by the refrigeration industry. KPL also has access to the R&D facilities of Group Company, Kanoria Chemicals & Industries Limited at Ankleshwar.

In recent years, the Company has keenly looked at the renewable energy sector. KPL presently has a generation capacity of 15.35 MW wind turbine electrical power.

Headquartered in Delhi; KPL has regional offices at Mumbai, Chennai and Kolkata, as well as an office in Bengaluru in India; and international offices in Shanghai (China), Dhaka (Bangladesh) and Dubai. It also has warehousing facilities in major Indian cities (Delhi, Sonapat, Palwal, Mumbai, Chennai, Ankleshwar and Kolkata).

DIRECTOR'S REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 46th Annual Report together with the Audited Annual Accounts of the Company for the year ended on 31st March, 2020.

FINANCIAL HIGHLIGHTS

During the year under review, the profit after tax was Rs. 2,416.39 Lakhs as against Rs. 2,503.96 Lakhs in the previous year.

WORKING RESULTS

	(Rs. In Lakhs)
Profit before Interest, Depreciation & Tax	4,645.25
Less: Finance Cost	476.93
Depreciation & Amortization	1,150.94
Provision for Taxation (Including Deferred Tax)	600.99
Profit for the year	<u>2,416.39</u>
Add: Balance at the beginning of the year	<u>6,263.90</u>
Less: Appropriations	
Dividend on Equity Shares for FY 2018-19	1,137.00
Interim Dividend on Equity Shares for FY 2019-20	758.00
Dividend Distribution Tax	<u>389.52</u>
Balance at the end of the year	<u>6,395.77</u>

OPERATIONAL REVIEW

With its deep understanding of Indian and International markets, ISO 9001 quality certification and its process specialization in marketing, distribution and sourcing, the Company continues to nurture and capitalise upon its strength across all segments of its activities by deepening relationships and commitment to service excellence. This enables it in maintaining its position as one of the top Indenting and Distribution Companies in India for Chemicals and Polymers. KPL takes pride in informing that it was ranked 55th in the ICIS Top Chemical Distributor Listing and was ranked 16th within Asia.

The Company is a multi faceted enterprise which continues to grow in a variety of market segments responding to the fast- changing needs of its customers with unrivalled customer service and satisfaction. It operates on a SAP ERP platform that helps the company in managing information as per global standards.

The Revenue from Operations during the year was Rs. 49,036.50 Lakhs as against Rs. 51,010.81 Lakhs in the previous year. The revenue includes the income from commission as Rs. 2,001.89 Lakhs as against Rs. 1,840.69 Lakhs in the previous year and revenue from Wind Turbine as Rs. 1,476.75 Lakhs as against Rs. 1,529.99 Lakhs in the previous year.

The onset of pandemic COVID 19 and subsequent lock down with effect from 25th March 2020 which caused business disruption has resulted in some loss of revenue for the year.

The overall performance of the Company was satisfactory.

DIVIDEND

During the year, Company paid an interim dividend of Rs. 5,000/- per equity share of Rs. 1,000/- each. The Board has not recommended any Final Dividend for the year.

TRANSFER TO RESERVES

Your Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2020.

NEW PROJECTS

The Company keeps exploring new business opportunity continuously. Last year the company had started work on effluent treatment of waste water through molecular unique separation technology with MUST Water Technology AG (MUST) based in Switzerland which has specialisation in such technology and business. However, the company had to abandon the said project due to its unviability in climatic conditions of India.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company, other than impact of Covid19.

The Covid19 pandemic as well as lockdown imposed by Government of India has resulted in severe disruption of businesses across multiple sectors including manufacturing. The recent monetary, fiscal and administrative measures undertaken by Reserve Bank of India as well Government of India, coupled with gradual easing of lock down in a phased manner are likely to help revival of the economy. Globally also now there is growing optimism on return to economic stability. The situation is fluid and uncertain and the return to normalcy is unpredictable.

The company caters to the requirement of a diverse range of business segments and expects its business to pick up depending of course on the pace of revival of such segments.

DIRECTORS

Shri Saumya Vardhan Kanoria and Smt. Vaidehi Kanoria, Directors of the Company, retiring by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri Vinay Kumar Bagla (DIN: 00051959) and Shri Rohit Mundra, (DIN: 00092293) were appointed as , Independent Directors of the Company for a period of five years w.e.f. 31st March 2015 up to 30th March 2020.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, by passing a Circular Board resolution on 24th March 2020, appointed Shri Vinay Kumar Bagla and Shri Rohit Mundra as Additional Directors of the Company in the category of Independent Director, not liable to retire by rotation, for a period of 5 consecutive years with effect from 31st March, 2020, subject to the approval of the shareholders.

Shri Vinay Kumar Bagla and Shri Rohit Mundra have given their consent to act as Directors and also declared that they are eligible for appointment as Director and meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ("Act").

In the opinion of the Board, Shri Vinay Kumar Bagla and Shri Rohit Mundra fulfill the conditions for appointment as Independent Directors as specified in the Act and that they are independent of the Management.

The Company has also received notices in writing from shareholders under Section 160 of the Act, proposing appointment of Shri Vinay Kumar Bagla and Shri Rohit Mundra, as Independent Directors of the Company.

As per Section 161 of the Companies Act, 2013, Shri Rohit Mundra and Shri Vinay Kumar Bagla ,hold office as an Additional Directors in the capacity of Independent Directors up to the date of the ensuing Annual General Meeting. The necessary resolutions for their appointment as Independent Directors of the Company, not liable to retire by rotation, for a period of 5(Five) consecutive years with effect from 31st March, 2020, will be placed at the ensuing Annual General Meeting for the approval of the shareholders. The Board of Directors recommends appointment of Shri Rohit Mundra and Shri Vinay Kumar Bagla as Directors in the interest of the Company.

The Board confirms that it has the required number of Independent Directors as envisaged under section 149(4) of the Act and that all the Independent Directors have filed the requisite declarations with the Company as per Section 149(7) of the Act confirming that they meet with the criteria of Independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013.

MEETINGS OF BOARD OF DIRECTORS

During the year 2019-20, the Company held six meetings of the Board of Directors on 9th May, 2019, 17th June, 2019, 26th July, 2019, 21st October, 2019, 11th February, 2020 and 26th February, 2020.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Shri Rohit Mundra and Shri Vinay Kumar Bagla as Independent Directors and Shri R. V. Kanoria, Director of the Company. The Committee's constitution, terms of reference and role is in compliance with the provisions of Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of Shri Rohit Mundra and Shri Vinay Kumar Bagla as Independent Directors and Shri R. V. Kanoria, Director of the Company. The Committee's constitution, terms of reference and role is in compliance with the provisions of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company comprises of Shri Surinder Kumar Kak, Managing Director, Smt Vaidehi Kanoria, Director and Shri Vinay Kumar Bagla, Independent Director of the Company. The Committee's constitution, terms of reference and role is in compliance with the provisions of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

In terms of provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Company has undertaken CSR activities, as per Annexure – I forming part of this report.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made any investment (other than in the units of mutual fund) as per the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with related parties during the financial year were at arm's length basis and in the Company's ordinary course of business. None of the transactions with any of the related parties were in conflict with the Company's interest.

STATUTORY AUDITORS & THEIR REPORT

M/s Singhi & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting of the Company held on 10th September, 2015 for a period of 5 years on the recommendation of the Audit Committee and the Board of Directors. The observations made by the Auditors of the Company in their report are in the nature of general disclosures and are self explanatory.

SECRETARIAL AUDITORS & THEIR REPORT

The Board has appointed M/s Kavita Srivastava & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith marked as Annexure IV to this report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

SIGNIFICANT AND MATERIAL ORDERS

No orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operation in future.

RISK MANAGEMENT

The Company assesses the significant risks that might impact the achievement of the Company's objectives and develops risk management strategies to mitigate/minimize identified risks and designs appropriate risk management procedure.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with respect to financial statements. The policies and procedures adopted by the Company ensure prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial statements. No reportable material weakness in the design or operation was observed during the year.

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return of the Company as on the financial year ended 31st March, 2020 as per Annexure II forming part of this report.

VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of Companies Act, 2013, the company has in place a Whistle Blower Policy for its Directors and Employees to report genuine concerns or grievances. The reportable matters may be reported to the Audit Committee through the Nodal Officer and in exceptional cases, may also be reported to the Chairman of Audit Committee. The confidentiality of those reporting violations is maintained, and they are not subject to any discriminatory practice. During the year under review, no employee was denied access to Audit Committee.

The Whistle Blower Policy may be accessed on the Company's website at the link:

<http://www.kplintl.com/images/whistleblower%20policy.pdf>

DIRECTORS RESPONSIBILITY STATEMENT

A statement of Director's Responsibility as prescribed under Section 134 of the Companies Act, 2013 is given below:

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

DEPOSITS

The Company had not accepted any deposits from the public during the year and there was no sum remaining unpaid and unclaimed at the end of the year.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As required under Section 134 of the Companies Act, 2013 and the rules framed thereunder, the statement containing necessary information in respect of conservation of energy, technology absorption, foreign exchange and outgo is provided as Annexure III to this report.

QUALITY MANAGEMENT SYSTEM

The Company is effectively maintaining the Quality system as per the requirements of ISO 9001:2015, Certificate of Registration for which was granted by INTERTEK Quality Registrar.

ACKNOWLEDGMENT

Your Directors take this opportunity to thank the Company's suppliers, principals, customers, employees, bankers, and investors for their continued and unstinted support.

Registered office:

212A, 216 & 222, 2nd Floor,
'Indraprakash
21, Barakhamba Road,
New Delhi 110 001

Dated: 29.06.2020

For and on behalf of the Board

R. V. Kanoria
Chairman
Din: 00003792

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs undertaken/ proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

CSR Initiatives taken by the Company during the year includes woman empowerment and promotion of vocational skills as well as promotion of education.

CSR Policy of the Company is available on the Company's website (www.kplintl.com/investors).

2. Composition of CSR Committee

Name of the member	Designation
Shri Vinay Kumar Bagla	Independent Director
Shri Surinder Kumar Kak	Managing Director
Smt. Vaidehi Kanoria	Director

3. Average net profit of the company for last three financial years :

Average Net Profit : Rs. 16,86,29,457/-

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

Total amount required to spend : Rs. 33,72,590/-
(Towards which Rs. 33,72,590 contributed by the Company to a Trust)

5. Details of CSR spend for the financial year :

- a) Amount spent for the financial year (including Rs. 4,82,278 unspent in F.Y 2018-19) : Rs. 33,59,835/-
- b) Amount unspent, if any : Rs. 4,95,033/-
- c) Manner in which the amount spent during the financial year : Detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (i) Local area or other (ii) Specify the state and district where project or programs was undertaken	Amount outlay (budget) project or program wise (in Rs.)	Amount spent on the project or programs during the year Sub heads: (i) Direct expenditure on project (ii) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1.	HUNAR – Empowering Woman through Skills	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	10,87,190	6,74,690	10,87,190	A Trust
2.	HUNAR – Empowering Woman through Skills	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	43,48,760	25,36,780	25,36,780	A Trust
3.	Scholarship for Educational Promotion	Promotion of Education	All over India	1,48,365	1,48,365	1,48,365	A Trust
				Total	55,84,315	33,59,835	37,72,335

Total Amount Spent during the year up to 31.03.2020

Rs. 33,59,835/-

: For and on behalf of the Board

Place : New Delhi
Date : 29.06.2020

R.V. Kanoria
Chairman
Din: 00003792

Surinder Kumar Kak
Managing Director &
Chairman CSR Committee
Din: 00044521

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	U23209DL1974PLC029068
ii)	Registration Date	17/04/1974
iii)	Name of the Company	KPL INTERNATIONAL LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	212A, 216 & 222, 2nd Floor, Indraprakash, 21 Barakhamba Road, New Delhi 110 001
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent	RCMC Share Registry Private Limited B-25/1, 1st Floor, Okhla Industrial Area, Phase – II, New Delhi 110 020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Wholesale of Industrial Chemicals, polymers, etc.	4669	91.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Company	% of shares held	Applicable Section
1.	M/s Vardhan Finvest Limited KCI Plaza, 7th Floor, 23C, Ashutosh Chowdhury Avenue, Kolkata 700019	U74140WB2006PLC108600	HOLDING COMPANY	93.29%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
a) Individual/HUF	74	436	510	3.364	74	436	510	3.364	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	14,143	14,143	93.292	Nil	14,143	14,143	93.292	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	74	14,579	14,653	96.656	74	14,579	14,653	96.656	Nil
(2) Foreign									
a) NRIs – Individuals	15	436	451	2.975	15	436	451	2.975	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	15	436	451	2.975	15	436	451	2.975	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	89	15,015	15,104	99.631	89	15,015	15,104	99.631	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	34	18	52	0.343	34	16	50	0.330	-0.013
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (IEPF)*	4	Nil	4	0.026	6	Nil	6	0.039	0.013
d) NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	38	18	56	0.369	40	16	56	0.369	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	38	20	56	0.369	40	16	56	0.369	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	127	15,033	15,160	100	129	15,031	15,160	100	Nil

* 2 shares of Mr. R.G.Nayak were transferred to IEPF Account

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Anand Vardhan Kanoria	15	0.099	Nil	15	0.099	Nil	Nil
2.	Anand Vardhan Kanoria	436	2.876	Nil	436	2.876	Nil	Nil
3.	Madhuvanti Kanoria	59	0.389	Nil	59	0.389	Nil	Nil
4.	Saumya Vardhan Kanoria	15	0.099	Nil	15	0.099	Nil	Nil
5.	Saumya Vardhan Kanoria	436	2.876	Nil	436	2.876	Nil	Nil
6.	Vardhan Finvest Limited	7,768	51.240	Nil	7,768	51.240	Nil	Nil
7.	Vardhan Finvest Limited	6,370	42.017	Nil	6,370	42.017	Nil	Nil
8.	Vardhan Finvest Limited with S. N. Patodia	1	0.007	Nil	1	0.007	Nil	Nil
9.	Vardhan Finvest Limited with S. K. Kak	1	0.007	Nil	1	0.007	Nil	Nil
10.	Vardhan Finvest Limited with Sandeep Soni	1	0.007	Nil	1	0.007	Nil	Nil
11.	Vardhan Finvest Limited with M. L. Agarwal	1	0.007	Nil	1	0.007	Nil	Nil
12.	Vardhan Finvest Limited with Manoj Kumar Verma	1	0.007	Nil	1	0.007	Nil	Nil
	Total	15,104	99.631	Nil	15,104	99.631	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	15,104	99.631		
	Date wise increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGES DURING THE YEAR			
	At the end of the year			15,104	99.631

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mayur Saraf	8	0.053	8	0.053
2.	Chirayush Pravin Vakil	6	0.040	6	0.040
3.	Investor Education and Protection Fund*	4	0.026	6	0.040
4.	Renu Gupta	5	0.033	5	0.033
5.	Anita Selot	0	0.000	3	0.020
6.	Suresh Kumar	3	0.020	3	0.020
7.	Sureshchandra Jayantilal	3	0.020	3	0.020
8.	Pushpinder Kaur Dhillon	2	0.013	2	0.013
9.	Suman Pandey	1	0.007	1	0.007
10.	Madhu Bala Gupta	1	0.007	1	0.007

* 2 shares of Mr. R.G.Nayak were transferred to IEPF Account

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anand Vardhan Kanoria				
	At the beginning of the year	451	2.975	451	2.975
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	-	-	-	-
	At the end of the year	451	2.975	451	2.975
2.	Saumya Vardhan Kanoria				
	At the beginning of the year	451	2.975	451	2.975
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	-	-	-	-
	At the end of the year	451	2.975	451	2.975

V. INDEBTEDNESS (Rs. In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,760.70	61.80		8,822.50
ii) Interest due but not paid				
iii) Interest accrued but not due	24.23			24.23
Total (i+ii+iii)	8,784.93	61.80		8,846.73
Change in Indebtedness during the financial year*				
Addition	6,982.77	2,329.51		9,312.28
Reduction	9,064.84	1,691.69		10,756.53
Net Change	-2,082.07	637.82		-1,444.25
Indebtedness at the end of the financial year				
i) Principal Amount	6,678.63	699.62		7,378.25
ii) Interest due but not paid				
iii) Interest accrued but not due	8.66			8.66
Total (i+ii+iii)	6,687.29	699.62	-	7,386.91

* Net change of cash credit facility has been taken.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Amount
Surinder Kumar Kak - Managing Director		
1.	Gross salary	84,07,996
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	46,37,829
5.	Others, please specify	4,89,600
	Total (A)	1,35,35,425
	Ceiling as per the Act	5% of the profits calculated under Section 198 of the Companies Act,

B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Director					
		Rajya Vardhan Kanoria	Saumya Vardhan Kanoria	Vaidehi Kanoria	Anand Vardhan Kanoria	Vinay Kumar Bagla	Rohit Mundra
1.	Independent Directors Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	65000	1,00,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	65000	1,00,000
2.	Other Non-Executive Directors						
	Fee for attending board / committee meetings	1,00,000	50,000	65,000	10,000	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	1,00,000	50,000	65,000	10,000	Nil	Nil
	Total (B)=(1+2)	1,00,000	50,000	65,000	10,000	65,000	1,00,000
	Total Managerial Remuneration	1,00,000	50,000	65,000	10,000	65,000	1,00,000
	Overall Ceiling as per the Act	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		NOT APPLICABLE		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit			
5.	Others, please specify	Nil	Nil	Nil
	Total (C)	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place : New Delhi
Date : 29.06.2020

R. V. Kanoria
Chairman
Din: 00003792

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE,
EARNING AND OUTGO ARE:**

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy :

- (i) the steps taken or impact on conservation of energy : The Company has opted for the use of Liquefied Petroleum Gas in place of coal for Drying of leaves, which resulted in saving in conventional energy.
- (ii) the steps taken by the Company for utilizing alternate sources of energy : Nil
- (iii) the capital investment on energy conservation equipments : Nil

(B) Technology Absorption :

- (i) The efforts made towards technology absorption : Nil
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution : Nil
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Nil
- a) The details of Technology imported : Nil
- b) The year of import : Nil
- c) Whether the technology been fully absorbed: : Nil
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof : Nil
- (iv) The expenditure incurred on Research and Development : Nil

- (c) Foreign Exchange Earnings and Outgo** : The Foreign Exchange Earnings and Outgo are given in Note No. 28.07 and 28.08 in Other Notes to Accounts.

For and on behalf of the Board

Place : New Delhi
Dated : 29.06.2020

R. V. Kanoria
Chairman
Din: 00003792

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2020

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

To,
The Members,
KPL International Limited
212A, 216 & 222, 2nd Floor
Indraprakash, 21, Barakhamba Road
New Delhi – 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KPL International Limited (hereinafter called "the Company") (CIN: U23209DL1974PLC029068). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations & and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
During the period under review, the Company has complied with the provisions of the aforesaid Act and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; - **Not Applicable to the Company during the Audit Period.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Not Applicable to the Company during the Audit Period as the Company is an Unlisted Public Company.

(vi) The Company has identified the following laws as specifically applicable to the Company in respect of which, the Company holds the valid licenses and/or certificate of registration during the audit period:

1. Food Safety and Standard Act, 2006 and rules made there under
2. Drugs and Cosmetics Act, 1940 and Rules made there under
3. Gas Cylinder Rules 2004 and Indian Explosive Act 1884
4. Static & Mobile Pressure Vessel (Unfired) Rules, 1981
5. Tea (Marketing) Control Order, 2003
6. Tea (Distribution & Export) Control Order 2005

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations noted.

In respect of other laws specifically applicable to the Company, we have relied on the information/records produced by the Company during the course of our audit and the reporting is limited to that extent only.

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

- (i) Secretarial Standards with regard to the Meeting of Board of Directors and General Meetings issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable: **Not Applicable to the Company during the Audit Period as the Company is an Unlisted Public Company.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc as mentioned above.

We further report that -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2020. The Changes in composition of Board of directors that took place during the period under review were carried out in compliance with provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings and agenda were sent at least seven days in advance. As explained by the management, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- On the basis of Minutes of Board Meeting, it is apparent that all the decisions are carried through unanimous consensus and there were no dissenting members' views and hence, no recording was done in this regard as part of the minutes.

We further report that -

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion & on review of compliance mechanism established by the Company and on the basis of certificate issued by officers of the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines & general laws like various labour laws, competition law, environmental laws, etc.

We further report that -

The Compliance by the Company of applicable labor laws, financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, having a major bearing on the Company's Affairs except the following events:

- (i) Annual Increment to the Remuneration payable to Smt. Madhuvanti Kanoria, policy advisor of the Company.
- (ii) The Directors unanimously passed the resolution by circulation to appoint Mr. Vinay Kumar Bagla (DIN: 00051959) & Mr. Rohit Mundra (DIN: 00092293) as Additional Director in capacity of Independent Director of the Company to hold office with effect from 31st March 2020 up to 30th March 2025, upto the conclusion of 46th Annual General Meeting and whose office shall not be liable to retire by rotation.
- (iii) Two shares of Mr. R. G. Nayak on which the dividend remained unpaid and unclaimed for seven years has been transferred to Investor Education Protection Fund.

Note: This Report is to be read with our letter of above date which is annexed as Annexure A and forms an integral part of this report.

For Kavita Srivastava & Associates

(CS Kavita Srivastava)

Practicing Company Secretary

M. No.: F6260

C. P. No.: 9393

UDIN: F006260B000392351

Place : New Delhi
Dated : 29.06.2020

"ANNEXURE A"

To,

The Members,
KPL International Limited
(CIN: U23209DL1974PLC029068)
212A, 216 & 222, 2nd Floor
Indraprakash, 21, Barakhamba Road
New Delhi – 110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, taxation compliance and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Kavita Srivastava & Associates

(CS Kavita Srivastava)
Practicing Company Secretary
M. No.: F6260
C. P. No.: 9393
UDIN: F006260B000392351

Place : New Delhi
Dated : 29.06.2020

INDEPENDENT AUDITOR'S REPORT

To the Members of KPL International Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **KPL International Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Reporting of Key audit matters are not applicable being unlisted entity.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to 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 principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches/depots not visited by us.
 - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches/depots not visited by us.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended).
 - e. On the basis of the written representations received from the directors as on 31 st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note No. 27.01(c) & (d)** to the Financial Statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria
Partner
Membership No. 022973
UDIN: 20022973AAAAAI6010

Place : Noida (Delhi NCR)
Date : 29.06.2020

Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements

Re: KPL International Limited

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment assets.
- b. The company has a phased programme of physical verification of its Property, Plant & Equipment which in our opinion, is reasonable having regard to the size of the company and the nature of its Property, Plant & Equipment. Management has physically verified Property, Plant and Equipment during the year and as informed to us, no material discrepancies were noticed as compared to books of accounts.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Inventories were physically verified during the year by the management, except stock in transit. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act' 2013, therefore provisions of this clause are not applicable to the company.
- (iv) The Company has not given any loans, made investments, given guarantee or securities during the year under the provisions of section 185 and 186 of the Act, therefore provision of this clause is not applicable to the company.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder with regard to the deposits accepted from the public are not applicable to the company.
- (vi) Rules made by the central government for the maintenance of cost records under sub-section (1) of section 148 of the Act are not applicable to the company.
- (vii) a. According to the records of the Company, the Company is regular in depositing material undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, goods & service tax, duty of customs, cess and any other statutory dues to the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us and records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, goods & service tax on account of any dispute, other than the following:

NATURE OF DUES	Amount Involved (Rs.)	Amount Paid (Rs.)	Forum where the dispute is pending	Period
Income Tax	52,68,773	19,97,083	Commissioner of Income Tax (Appeals)	A.Y 2013-14
	64,98,439	33,62,390	Commissioner of Income Tax (Appeals)	A.Y 2014-15
	1,79,75,365	1,84,950	Commissioner of Income Tax (Appeals)	A.Y 2016-17
	39,14,870	-	Commissioner of Income Tax (Appeals)	A.Y 2017-18
Sales Tax (including penalty Rs. 2,40,981)	15,16,873	5,82,089	Joint Commissioner of Sales Tax, Thane	2014-15
	4,54,904	50,000	Additional Commissioner, Delhi	2011-12

- viii) We are of the opinion that the Company has not defaulted in repayment of loans or borrowings to a financial institutions, banks and government. Company has not issued any debenture.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loan were applied for the purpose for which loan were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) Based on our examination of the books and records of the Company and according to the information and explanations given to us, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company, therefore provisions of this clause are not applicable to the company.
- (xiii) Based on our examination of the books and records of the Company, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore provisions of this clause are not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore provisions of this clause are not applicable to the company

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria
Partner
Membership No. 022973
UDIN: 20022973AAAAAI6010

Place : Noida (Delhi NCR)
Date : 29.06.2020

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

We have audited the internal financial controls over financial reporting of KPL International Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria
Partner
Membership No. 022973
UDIN: 20022973AAAAAI6010

Place : Noida (Delhi NCR)
Date : 29.06.2020

KPL INTERNATIONAL LIMITED
BALANCE SHEET AS At 31st MARCH 2020

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	15,160,000	15,160,000
(b) Reserves and Surplus	3	951,617,923	938,431,375
		966,777,923	953,591,375
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	254,234,633	363,218,539
(b) Deferred Tax Liabilities (Net)	5	72,426,634	76,475,440
(c) Other Long-term Liabilities	6	12,180,942	12,485,587
(d) Long-term Provisions	7	7,222,429	5,905,072
		346,064,638	458,084,638
(3) Current Liabilities			
(a) Short-term Borrowings	8	374,606,040	402,547,772
(b) Trade Payables	9		
(i) Dues of Micro, Small & Medium Enterprises		133,340	2,449,823
(ii) Dues of Others		631,398,246	382,268,075
(c) Other Current Liabilities	10	219,291,227	242,608,034
(d) Short-term Provisions	7	2,775,978	2,081,663
		1,228,204,831	1,031,955,367
TOTAL		2,541,047,392	2,443,631,380
II. ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	11		
(i) Tangible Assets		949,583,979	1,058,228,304
(ii) Capital Work-in-Progress		914,900	-
(iii) Intangible Assets		769,528	1,088,230
		951,268,407	1,059,316,534
(b) Non-current Investments	12	-	75,000,000
(c) Long-term Loans & Advances	13	142,397,893	151,765,133
		1,093,666,300	1,286,081,667
(2) Current Assets			
(a) Current Investments	12	68,550,490	-
(b) Inventories	14	395,118,728	305,342,655
(c) Trade Receivables	15	810,352,432	683,566,374
(d) Cash and Cash Equivalents	16	47,370,715	64,529,012
(e) Short-term Loans & Advances	13	102,976,325	96,429,071
(f) Other Current Assets	17	23,012,402	7,682,601
		1,447,381,092	1,157,549,713
TOTAL		2,541,047,392	2,443,631,380
Significant Accounting policies	1		
Contingent Liabilities and Commitments	27		
Other Notes to Accounts	28		
<i>The accompanying notes are an integral part of the Financial Statements</i>			

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

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria
Partner
Membership No. 022973

Place : Noida (Delhi NCR)
Dated : 29.06.2020

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

KPL INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Note No.	For the year ended 31.03.2020 (Rs.)	For the year ended 31.03.2019 (Rs.)
I. Revenue from Operations (Net)	18	4,903,649,945	5,101,081,381
II. Other Income	19	77,551,596	37,789,953
III. Total Revenue (I+II)		4,981,201,541	5,138,871,334
IV. Expenses:			
Cost of Materials Consumed	20	171,889,724	66,677,668
Purchases of Stock-in-Trade	21	3,982,850,290	4,254,876,385
Change in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(80,730,938)	(9,531,821)
Employee Benefits Expense	23	171,855,933	168,516,458
Finance Cost	24	47,693,329	82,740,936
Depreciation & Amortization Expense	25	115,094,057	128,448,663
Other Expenses	26	270,811,913	191,795,366
Total Expenses		4,679,464,308	4,883,523,655
V. Profit before Tax (III-IV)		301,737,233	255,347,679
VI. Tax Expense			
(a) Current Tax		45,716,857	54,758,430
(b) MAT Credit		18,175,600	(54,758,430)
(c) Deferred Tax		(4,048,806)	4,940,796
(d) For earlier years		254,751	11,253
		60,098,402	4,952,049
VII. Profit for the Year (V-VI)		241,638,831	250,395,630
Earning per Equity Share of Rs 1000/- each	28.09		
Basic & Diluted		15,939	16,517
Significant Accounting policies	1		
Contingent Liabilities and Commitments	27		
Other Notes to Accounts	28		
<i>The accompanying notes are an integral part of the Financial Statements</i>			

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

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria
Partner
Membership No. 022973

Place : Noida (Delhi NCR)
Dated : 29.06.2020

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

KPL INTERNATIONAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	<i>For the year ended 31.03.2020 (Rs.)</i>	<i>For the year ended 31.03.2019 (Rs.)</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and exceptional items	301,737,233	255,347,679
Adjustments for:		
Depreciation & Amortisation Expense	115,094,057	128,448,663
Bad Debt	48,352,838	619,045
(Profit) / Loss on Sale of Property, Plant and Equipments (Net)	(75,474)	2,732,628
Finance Cost	40,950,598	73,779,248
Provision for Doubtful Debt no longer required written back (Net)	(44,878,686)	-
Provision for Bad & Doubtful Debts (Net)	-	569,818
Liability no longer required written back	(5,565,200)	(199,410)
Income from Investments-Dividend	(655,169)	(68,444)
Income from Investments - Others	(41,345)	(863,727)
Income from Investments - Interest	(1,941,084)	(2,684,007)
Unrealised Foreign Exchange Fluctuation (Net) loss / (gain)	4,817,522	(1,545,482)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	457,795,290	456,136,011
(Increase) / Decrease in Trade Receivables	(127,699,627)	(196,035,679)
(Increase) / Decrease in Inventories	(89,776,073)	(11,139,138)
(Increase) / Decrease in Loan & Advances	(27,004,632)	32,254,929
Increase / (Decrease) in Trade Payables & Liabilities	224,264,982	23,795,685
CASH GENERATED FROM OPERATIONS	437,579,940	305,011,808
Direct Tax Paid	38,275,674	57,059,692
NET CASH GENERATED FROM OPERATIONS	399,304,266	247,952,116
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(10,535,778)	(12,507,870)
Purchase/Liquidation of Investments (Net)	6,449,510	602,750
Income from Investments-Dividend and Interest	2,732,865	2,967,001
Fixed Deposit (Net) (Increase)/Decrease	21,316,622	75,485,542
Income from Investment- Others	41,345	863,727
Net Proceeds from Sale of Property, Plant and Equipments	187,000	2,329,141
NET CASH FROM INVESTING ACTIVITIES	20,191,564	69,740,291
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds / (Repayment) of Short Term Borrowing from Bank	(27,941,732)	(153,974,925)
Interest Paid	(42,510,084)	(77,014,360)
Dividend Paid (including DDT & Unpaid Dividend)	(228,452,283)	-
Long Term Borrowing Increase/(Decrease) due within 12 months	(7,500,000)	-
Long Term Borrowings Increase / (Decrease)	(108,983,906)	(116,483,905)
NET CASH (USED)/FROM FINANCING ACTIVITIES	(415,388,005)	(347,473,190)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	4,107,825	(29,780,783)
Cash and cash equivalent as at 31.03.2019	17,728,367	47,509,150
Cash and cash equivalent as at 31.03.2020	21,836,192	17,728,367
Cash and Cash equivalents includes		
Cash and Bank Balances (Refer Note 16)	47,370,715	64,529,012
Less: Other Bank Balances	25,534,523	46,800,645
Cash and Cash Equivalents	21,836,192	17,728,367

Notes : 1. The cash flow statement has been prepared under indirect method as per accounting standard (AS-3).

2. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable.

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

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria
Partner
Membership No. 022973
Place : Noida (Delhi NCR)
Dated : 29.06.2020

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

NOTES TO FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

A ACCOUNTING CONVENTION

- i) The financial statements of the company have been prepared in accordance with generally accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act, to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis. The Accounting Policies applied by the company are consistent with those used in the previous year.
- ii) All items of Income & Expenditure is recognized on accrual basis, except Insurance claims & claims of Customers or Principals being accounted for as and when settled, on account of uncertainty involved.
- iii) Income/Expenditure from venture capital investment is recognised on the basis of statement received from them up to the date of finalisation of accounts.

B REVENUE RECOGNITION

- i) Revenue from sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with the delivery and is net of trade discount/rebate etc.
- ii) Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- iii) Export entitlements are recognised in the statement of Profit and Loss when the right to receive as per the terms of the scheme is established.

C TANGIBLE ASSETS AND DEPRECIATION

- i) Tangible Assets are stated at cost, net of accumulated depreciation and net accumulated impairment losses, if any. Cost comprise purchase price and directly attributable costs of bringing the assets to its working condition for the intended use.
- ii) Capital Work in Progress is stated at cost including applicable expenses.
- iii) In respect of tangible assets, depreciation has been charged over useful lives on Written Down Value Method (WDV) as prescribed in Schedule II as notified under The Act.
- iv) Leasehold lands are amortized over the period of lease on straight line basis.

D INTANGIBLE ASSETS AND AMORTISATION

- i) Intangible Assets are stated at acquisition cost, net of accumulated amortisation and net accumulated impairment losses, if any.
- ii) Intangible Assets are amortised over their estimated useful life on Written Down Value method as per applicable Accounting Standard 26 (Intangible Assets).

E VALUATION OF INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower. Cost is computed on the basis of weighted average cost. Cost comprises relevant expenditure incurred in the normal course of business in bringing such inventories to its locations.

F. INVESTMENTS

Long term investments are stated at cost. The company provides for diminution, other than temporary, in the value of long term investments. Current investments are valued at lower of cost or market value.

G BORROWING COST

Interest and other costs in connection with borrowed funds to the extent related to the acquisition of qualifying Property, Plant and Equipments are capitalized up to the date when such assets are ready for its intended use. Other borrowing costs are charged to statement of Profit and Loss.

H FOREIGN CURRENCY TRANSACTIONS

- i) All Assets and Liabilities in foreign currency including currency hedging contracts outstanding at the close of the year are converted into Indian Currency at the rates of exchange prevailing on the date of the Balance Sheet and difference is adjusted in the statement of Profit and Loss. In respect of transactions covered under forward foreign exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognised as expense or income over the life of the contract.
- ii) On transactions completed during the year, gains/losses arising out of fluctuations in exchange rate are recognized in the statement of Profit and Loss in the period they arise.

I RETIREMENT BENEFITS

- i) Retirement Benefits in the form of provident fund, which are defined contribution plans, are charged to the statement of profit and loss for the year when the contributions to the fund are due.
- ii) Gratuity which is defined benefit, is accrued based on actuarial valuation at the balance sheet date carried out by an independent actuary using the projected unit credit method.
- iii) Company makes annual contribution of gratuity to Group Gratuity Policy with Life Insurance Corporation of India, a scheme created for the purpose of qualifying employees.

J TAXATION

- i) Current tax is the provision made for the amount of income tax payable in respect of taxable income for the period.
- ii) Deferred tax is recognised on timing differences between taxable income and accounting income which are capable of being reversed in one or more subsequent periods subject to consideration of prudence.
- iii) Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized to the extent of the virtual certainty that there will be sufficient future taxable income available to realize such deferred assets.
- iv) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.
- v) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

K IMPAIRMENT

Impairment loss is recognised wherever the carrying amount of an assets is in excess of its recoverable amount and the same is recognised as an expense in the statement of Profit and Loss, and carrying amount of the assets is reduced to its recoverable amount, Reversal of impairment losses recognised in prior years recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

L PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

M CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the reporting date and realization of assets, 12 months has been considered by the Company for the purpose of Current and Non-current classification of assets and liabilities.

N SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Company as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)		
2. SHARE CAPITAL				
(a) AUTHORISED				
99,700 (Previous year 99,700) Equity Shares of Rs. 1,000/- each	99,700,000	99,700,000		
3,000 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each	300,000	300,000		
	100,000,000	100,000,000		
(b) ISSUED				
15,160 (Previous year 15,160) Equity Shares of Rs. 1000/- each fully paid up	15,160,000	15,160,000		
(c) SUBSCRIBED AND PAID UP				
15,160 (Previous year 15,160) Equity Shares of Rs. 1000/- each fully paid up	15,160,000	15,160,000		
Add: Forfeited Shares (Amount Originally paid up)	-	26,500		
Less: Transferred to Capital Reserve	-	(26,500)		
	15,160,000	15,160,000		
(d) Reconciliation of Equity Shares (Nos.)				
Balance as at the beginning of the year	15,160	15,160		
Balance as at the end of the year	15,160	15,160		
(e) Terms/ rights attached to equity shares				
The Company has one class of Equity Share having par value of Rs.1000 per share. Each holder of Equity Share is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.				
(f) 14143 (Previous Year 14143) Nos of equity shares of the company held by its Holding company Vardhan Finvest Limited				
(g) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company:				
	As at 31.03.2020		As at 31.03.2019	
Name of shareholder	Nos.	% of Holding	Nos.	% of Holding
Vardhan Finvest Limited	14,143	93.29	14143	93.29
	As at 31.03.2020 (Rs.)		As at 31.03.2019 (Rs.)	
3. RESERVES AND SURPLUS				
(a) CAPITAL RESERVE				
As per last financial statements	26,500	-		
Add :- Transfer from Forfeited Share Capital	-	26,500		
	26,500	26,500		
(b) CAPITAL REDEMPTION RESERVE				
As per last financial statements	4,750	4,750		
	4,750	4,750		
(c) GENERAL RESERVE				
As per last financial statements	312,009,913	312,009,913		
	312,009,913	312,009,913		
(d) SURPLUS IN STATEMENT OF PROFIT AND LOSS				
Balance as at the beginning of the year	626,390,212	375,994,583		
Profit for the year	241,638,831	250,395,629		
Less: Appropriations (Refer Note no. 28.13)				
Dividend on Equity Shares for FY 2018-19	113,700,000	-		
Interim Dividend on Equity Shares for FY 2019-20	75,800,000	-		
Dividend Distribution Tax	38,952,283	-		
Balance as at the end of the year	639,576,760	626,390,212		
Total	951,617,923	938,431,375		

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)		As at 31.03.2019 (Rs.)	
4. LONG-TERM BORROWINGS				
	Non-current		Current maturities	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
SECURED				
Term Loans: From bank				
From HDFC Bank	254,234,633	363,218,539	108,983,908	116,483,908
Less :- Amount disclosed under the head "other current liabilities" (Note no. 10)			108,983,908	116,483,908
	254,234,633	363,218,539	-	-
(i) The Term Loan from HDFC Bank amounting to Rs. 75,00,000 (Previous year Rs. 2,25,00,000), repayable in 2 (Previous year 6) quarterly installments. The repayment has started at the beginning from 31st December 2015 and ending on 30th September, 2020. The loan is secured by equitable mortgage of office premises situated at "Prestige Shantiniketan", Bangalore.				
(ii) The Term Loan from HDFC amounting to Rs. 28,73,91,749 (Previous year Rs. 36,40,29,548), repayable in 15 (Previous year 19) quarterly installments. The repayment has started at the beginning from 24th July, 2017 and ending on 24th October, 2023. The loan is secured by exclusive charge on movable property, plant & equipment and current assets of wind turbines located at Vejalpar and Jamanvada site, Gujarat and equitable mortgage of office space premises at 10th Floor, Statesman House, Barakhamba Road, New Delhi.				
(iii) The Term Loan from HDFC Bank amounting to Rs. 6,83,26,792 (Previous year Rs. 9,31,72,899) Repayable in 11 (Previous year 15) quarterly installments. The repayment has started at the beginning from 8th June, 2018 and ending on 08th December, 2022. The loan is secured by exclusive charge on movable property, plant & equipment and current assets of wind turbines located at Matalpar, Gujarat and equitable mortgage of office space premises at 7th and 8th Floor, Block 4B, Corporate Park, DLF City, Phase-3, Gurgaon, Haryana.				
	As at 31.03.2020		As at 31.03.2019	
5. DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liability				
Difference between written down value of block of assets as per income tax laws and book written down value of the Property, Plant and Equipments	77,032,377		226,262,791	
(a)	77,032,377		226,262,791	
Deferred Tax Assets				
Employee Benefits	2,003,868		2,790,885	
Unabsorbed Business Losses	-		128,712,183	
Others	2,601,875		18,284,283	
(b)	4,605,743		149,787,351	
(a-b)	72,426,634		76,475,440	
6. OTHER LONG-TERM LIABILITIES				
Security Deposits	12,180,942		12,485,587	
	12,180,942		12,485,587	
7. PROVISIONS	Long-term		Short-term	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits:				
For Accrued Leave	7,222,429	5,905,072	2,775,978	2,081,663
	7,222,429	5,905,072	2,775,978	2,081,663

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
8. SHORT-TERM BORROWINGS		
<u>Working Capital Loans from Banks:</u>		
(a) Cash Credit Facilities Repayable on Demand (Secured)	254,644,075	176,368,241
(b) Short Term Loan from HDFC Bank (Secured)	-	220,000,000
(c) Working Capital Demand Loan from HDFC Bank (Secured)	50,000,000	-
(d) Bill Discounted (Unsecured)	69,961,965	6,179,531
	374,606,040	402,547,772
<p>(The above working capital loans (a), (b) & (c) secured by hypothecation over first pari passu charge on entire Current Assets and exclusive charge on entire movable Property, Plant and Equipments of the company apart from Fixed Assets of Wind Turbine units at Jamanvada, Vejalpar and Matalpar and equitable mortgage of Commercial space at 7th & 8th Floor, Block 4B, Corporate Park, DLF City Gurgaon, Haryana and 10th Floor, Statesmen House, New Delhi.)</p>		
9 TRADE PAYABLES		
(a) Micro, Small and Medium Enterprises (Refer note no 28.11)	133,340	2,449,823
(b) Other Entities		
For Goods	553,820,637	336,257,174
For Services	77,577,609	46,010,901
	631,398,246	382,268,075
10. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long term borrowings (Refer note no. 4)	108,983,908	116,483,908
(b) Interest accrued but not due on borrowings	866,009	2,425,495
(c) Unpaid Dividend*	431,000	380,500
(d) Advance From Customers	11,664,622	38,483,153
(e) Employee related liabilities	21,480,046	24,690,033
(f) Statutory dues	47,752,891	41,607,018
(g) Security & Trade deposits	8,705,448	2,739,516
(h) Amount payable for Capital Goods	1,466,349	1,466,349
(i) Other liabilities	17,940,954	14,332,062
	219,291,227	242,608,034
<p>*There is no amount due and outstanding to be credited to Investor Education and Protection Fund under sub section 5 of section 124 of the Act as at the year end.</p>		

NOTES TO THE FINANCIAL STATEMENTS

11. Property, Plant and Equipments

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK		
	Cost Upto 01.04.2019	Addition During the year	Sales/ adjustment During the year	Cost as on 31.03.2020	Depreciation upto 01.04.2019	Depreciation For the Year	Sales/ Adjustment During the year	Depreciation Upto 31.03.2020	WDV as on 31.03.2020	WDV as on 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets										
Land - Freehold	1,500,000	-	-	1,500,000	-	-	-	-	1,500,000	1,500,000
Leasehold Land	16,010,000	-	-	16,010,000	2,379,754	694,061	-	3,073,815	12,936,185	13,630,246
Tea Plantation	20,839,646	-	-	20,839,646	-	-	-	-	20,839,646	20,839,646
Buildings	434,633,867	943,180	-	435,577,047	153,911,247	13,760,581	-	167,671,828	267,905,219	280,722,620
Roads	861,581	-	-	861,581	818,502	-	-	818,502	43,079	43,079
Plant & Machinery	1,054,646,595	1,454,324	37,443	1,056,063,476	332,679,755	94,292,512	20,132	426,952,135	629,111,342	721,966,840
Furniture and Fittings	19,779,587	24,900	-	19,804,487	15,289,635	1,063,265	-	16,352,900	3,451,587	4,489,952
Office Equipment	17,222,928	238,484	30,000	17,431,412	12,382,612	1,348,935	27,370	13,704,177	3,727,235	4,840,316
Motor Vehicles	23,776,755	2,644,027	1,805,849	24,614,933	15,598,312	2,729,481	1,715,557	16,612,236	8,002,697	8,178,443
Computers and data processing units	16,260,412	937,639	52,073	17,145,978	14,375,785	886,520	50,781	15,211,524	1,934,454	1,884,627
Electrical Installations & Equipment	2,650,814	-	-	2,650,814	2,518,279	-	-	2,518,279	132,535	132,535
	1,608,182,185	6,242,554	1,925,365	1,612,499,375	549,953,881	114,775,355	1,813,840	662,915,396	949,583,979	1,058,228,304
Intangible Assets										
Computer Softwares	8,484,983	-	-	8,484,983	7,396,752	318,702	-	7,715,454	769,528	1,088,230
	8,484,983	-	-	8,484,983	7,396,752	318,702	-	7,715,454	769,528	1,088,230
Total	1,616,667,168	6,242,554	1,925,365	1,620,984,358	557,350,633	115,094,057	1,813,840	670,630,850	950,353,507	1,059,316,534
Capital Work in Progress	-	-	-	-	-	-	-	-	914,900	-
	-	-	-	-	-	-	-	-	914,900	-
Grand Total	1,616,667,168	6,242,554	1,925,365	1,620,984,358	557,350,633	115,094,057	1,813,840	670,630,850	951,268,407	1,059,316,534
Figures for the Corresponding Previous year	1,623,018,870	31,234,652	37,586,355	1,616,667,168	461,426,557	128,448,663	32,524,586	557,350,633	1,059,316,534	1,179,106,341

*Above Property, Plant and Equipments includes Let out Property having Cost of Rs. 20,88,69,339/- and WDV Rs. 14,55,13,751/-

NOTES TO THE FINANCIAL STATEMENTS

					As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
12. INVESTMENTS						
UNQUOTED						
A NON CURRENT					Amount	Amount
	Number of units					
	As at 01.04.2019	Purchased/ addition during the year	Sold during the year	As at 31.03.2020		
ASK Pravi Private Equity Opportunities Fund (Face value of Rs. 100,000/- per unit)	-	-	-	-	-	75,000,000
	(750.00)	-	(750.00)	-	-	<u>75,000,000</u>
B CURRENT						
	Number of units					
	As at 01.04.2019	Purchased/ addition during the year	Sold during the year	As at 31.03.2020		
ASK Pravi Private Equity Opportunities Fund (Face value of Rs. 100,000/- per unit)	750.00	-	64.50	685.50	68,550,490	-
	-	-	-	-	-	-
					<u>68,550,490</u>	-
					As at 31.03.2020	As at 31.03.2019
					Book Value	Market Value
Aggregate amount of:-						
Unquoted Investments					<u>68,550,490</u>	-
					<u>68,550,490</u>	<u>75,000,000</u>
Note:- Figures in bracket pertain to previous year						
				Long-term	Short-term	
		As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)	
13. LOANS AND ADVANCES						
Advance recoverable in cash or in kind						
(a) Security Deposits (Unsecured, considered good)	10,997,697	6,636,607	358,460	414,500		
(b) Other Loans and Advances : (Unsecured, considered good)						
Prepaid Expenses	12,777	59,474	10,803,925	4,491,826		
Balance with Goods & Service taxes & other Government Authorities	-	-	67,201,552	68,748,767		
Income Tax Payments and Tax deducted at Source less Provision	-	-	673,518	9,376,509		
MAT Credit Receivable	127,459,049	144,627,592	-	-		
Advance to Employees	125,246	16,660	1,035,120	440,481		
Advance to Suppliers	-	-	21,242,866	11,712,255		
Capital Advance	3,803,124	424,800	-	-		
Other Advance	-	-	1,660,884	1,244,733		
	<u>142,397,893</u>	<u>151,765,133</u>	<u>102,976,325</u>	<u>96,429,071</u>		

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
14. INVENTORIES		
(As taken, valued and certified by the Management)		
(a) Raw Materials	16,168,849	7,336,854
(b) Stores and Spare Parts	520,569	307,431
(c) Finished Goods	32,583,427	13,627,965
(d) Stock In Trade (Chemicals, Polymer & Others) (includes Goods in Transit Rs.5,15,95,619/- previous year 1,29,14,770/-)	345,845,883	284,070,405
	395,118,728	305,342,655
Details of Finished Goods / Raw Materials	Finished Goods	Raw Materials
	As at	As at
	31.03.2020	31.03.2019
Refrigerant Gas & SF6 Gas	28,336,044	10,311,833
Tea	4,247,383	3,316,132
	32,583,427	13,627,965
	16,168,849	7,336,854
	7,336,854	7,336,854
	32,583,427	13,627,965
	16,168,849	7,336,854
	7,336,854	7,336,854
15. TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Outstanding for a period exceeding six months from due date		
Unsecured, Considered Good	9,687,794	20,574,952
Unsecured, Considered Doubtful	-	1,190,541
Unsecured, under litigation	8,990,762	51,133,985
Less: Provision	7,445,841	52,324,526
	11,232,715	20,574,952
(b) Other		
Unsecured, under litigation	-	5,489,639
Unsecured, Considered Good	799,119,717	657,501,783
	799,119,717	662,991,422
	810,352,432	683,566,374
16. CASH AND CASH EQUIVALENTS		
(A) CASH AND CASH EQUIVALENTS		
(a) Cash in hand	161,435	72,380
(b) Balances with Banks		
In Current Account	1,797,434	1,170,274
In EEFC Account	12,686,989	10,012,060
In Current Account (Foreign Countries)	7,190,334	3,817,850
Cheque in hand	-	2,655,803
Total (A)	21,836,192	17,728,367
(B) OTHER BANK BALANCES		
(a) Earmarked Balances With Banks		
In Unpaid Dividend Account	431,000	380,500
(b) Margin Money held as Securities	25,103,523	46,420,145
Total (B)	25,534,523	46,800,645
Total (A+B)	47,370,715	64,529,012
17. OTHER CURRENT ASSETS		
Unsecured, Considered Good unless otherwise stated		
(a) Surplus Fund of Plan Assets-Gratuity Fund	4,263,894	-
(b) Export Benefits Receivable	402,010	344,872
(c) Dividend & Interest Receivable	4,209,735	4,346,347
(d) Other Receivable	14,136,763	2,991,382
	23,012,402	7,682,601

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
18. REVENUE FROM OPERATIONS		
(a) Sale of Manufactured Goods		
Tea (Including Export Sales of Rs. 1,26,21,668, Previous Year Rs. 93,77,748)	37,409,944	44,406,321
Refrigerant Gas & SF6 Gas	189,107,477	70,224,753
Wind Power	147,674,530	152,999,027
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales / SEZ of Rs. 21,64,22,073, Previous Year - Rs. 50,18,74,589)	4,327,487,248	4,647,584,827
	4,701,679,199	4,915,214,928
(b) Commission Income (Refer Note no- 28.01 of Other Notes to Account)	200,189,031	184,069,379
(c) Other Operating Revenue		
Export Benefits	1,781,715	1,797,074
Revenue from operations	4,903,649,945	5,101,081,381
19. OTHER INCOME		
Interest Income		
On Fixed Deposit with Banks	1,941,084	2,110,672
From Others	-	573,335
Dividend Income		
On long term Investments	655,169	68,444
Income from Investments	41,345	863,727
Exchange Rate Fluctuation - Net	-	6,229,142
Rent Income	23,435,662	26,808,528
Liabilities No longer required written back	5,565,200	199,410
Provision for Doubtful Debt no longer required written back (Net)	44,878,686	-
Subsidy from Tea Board	131,676	313,824
Profit on Sale of Property, Plant and Equipment (Net)	75,474	-
Miscellaneous receipts	827,300	622,871
	77,551,596	37,789,953
20. COST OF RAW MATERIAL CONSUMED		
Refrigerant Gas & SF6 Gas	171,889,724	66,677,668
	171,889,724	66,677,668
21. PURCHASES OF STOCK IN TRADE		
Traded Goods (Chemicals, Polymers & Others)	3,982,850,290	4,254,876,385
	3,982,850,290	4,254,876,385
22. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Finished Goods		
Opening Stock	13,627,965	6,772,052
Closing Stock	32,583,427	13,627,965
Decrease / (Increase)	(18,955,462)	(6,855,913)
Stock in Trade		
Opening Stock	284,070,407	281,394,497
Closing Stock	345,845,883	284,070,405
Decrease / (Increase)	(61,775,476)	(2,675,908)
Change in inventory	(80,730,938)	(9,531,821)

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
23. EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages, Bonus & Gratuity etc.	147,962,902	144,829,053
Managerial Remuneration	13,535,425	13,661,986
Contribution to Provident Fund	9,510,888	9,027,436
Staff Welfare	846,718	997,983
	171,855,933	168,516,458
24. FINANCE COST		
Interest Paid to Bank	26,912,764	27,838,875
Interest on Term Loan	14,037,834	45,940,373
Other Borrowing cost (including Bank Charges)	6,742,731	8,961,688
	47,693,329	82,740,936
25. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	114,399,996	127,722,059
Amortisation	694,061	726,604
	115,094,057	128,448,663
26. OTHER EXPENSES		
Consumption of Stores & Spare parts etc.	1,508,468	1,794,152
Power & Fuel	6,513,200	6,066,026
Rent	22,136,141	17,780,992
Repairs to Plant & Machinery	18,339,104	8,450,807
Repairs to Buildings	8,088,232	3,589,985
Repairs to Others Assets	10,101,485	7,728,723
Insurance	3,867,055	3,739,146
Rates & Taxes	5,476,982	5,411,785
Auditors' Remuneration		
Audit Fees	630,000	630,000
Tax Audit Fees	40,000	40,000
Certification Fees	40,000	40,000
Reimbursement of Expenses	-	15,126
Premium on currency hedging Contracts	16,295,039	15,983,649
Exchange Rate difference - Net	5,970,574	-
Selling & Distributing Expenses	69,613,386	69,593,215
Directors Sitting Fees	390,000	395,000
Travelling Expenses	11,994,509	11,993,248
Bad Debt	48,352,838	619,045
Provision for Bad & Doubtful Debts (Net)	-	569,818
Donation	150,000	150,000
Loss on Sale of Property, Plant and Equipments - Net	-	2,732,628
Corporate Social Responsibility Expenses (Refer Note No. 28.12)	3,272,590	2,700,000
Miscellaneous Expenses	38,032,310	31,772,021
	270,811,913	191,795,366

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)		
27. CONTINGENT LIABILITIES & COMMITMENTS :				
27.01 CONTINGENT LIABILITIES				
(a) Bank Guarantees given to various Govt. Authorities	44,846,731	35,650,982		
(b) Letter of Credit	219,491,967	285,634,078		
(c) (i) Income Tax demand under appeal (amount paid under protest Rs. 55,44,420/-, previous year Rs. 55,44,420/-)	33,657,442	29,742,577		
(ii) Sales Tax demand including Penlty Rs. 2.40.981/- (amount paid under protest Rs. 6,32,089/-, previous year Rs.4,50,626/-)	1,971,777	10,124,147		
(d) Goods & Service Tax under appeal amount paid under protest	-	72,000		
27.02 OTHER LITIGATIONS				
The Company has filed law suit against certain customers for recovery of Rs. 89,90,762/- (Previous Year Rs. 5,66,23,624/-) appearing in Trade receivables (Refer Note No. 15)				
27.03 COMMITMENTS				
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs.1,53,84,350/- (Previous Year Rs. 8,40,000/-)				
28 OTHER NOTES TO ACCOUNTS				
28.01 Commission Income includes shipments made earlier years but advice received in Current Year Rs. 1,22,04,769/- (Previous year Rs.73,36,568/-).				
28.02 Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits: - In respect of Leave Encashment & Gratuity, a defined benefit scheme (based on Actuarial Valuation)-		(Amount in Rs.)		
	2019-20	2018-19		
PARTICULARS	GRATUITY (FUNDED)	LEAVE ENCASH (UNFUNDED)	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)
A RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION				
DEFINED BENEFIT OBLIGATION AS ON 01-04-2019	32,565,101	7,986,735	28,583,366	7,190,881
EMPLOYER SERVICE COST	3,298,360	1,744,796	2,765,270	1,573,589
INTEREST COST	2,503,693	611,812	2,193,582	555,800
ACTUARIAL (GAINS) / LOSSES	1,184,379	(31,159)	2,508,531	(511,653)
BENEFITS PAID	(886,231)	(313,777)	(3,485,648)	(821,882)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2020	38,665,302	9,998,407	32,565,101	7,986,735
B RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS				
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE YEAR	37,773,665	-	26,729,710	-
EXPECTED RETURN ON PLANNED ASSETS	1,282,726	-	1,320,649	-
CONTRIBUTION	2,735,236	-	12,208,890	-
BENEFITS PAID	(886,231)	-	(3,485,648)	-
ACTUARIAL (GAINS) / LOSSES	2,023,800	-	1,000,064	-
FAIR VALUE OF PLAN ASSETS AT YEAR END	42,929,196	-	37,773,665	-
C RECONCILIATION OF FAIR VALUE OF ASSETS & OBLIGATION				
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2020	42,929,196	-	37,773,665	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2020	38,665,302	9,998,407	32,565,101	7,986,735
D EXPENSES RECOGNISED DURING THE YEAR				
CURRENT SERVICE COST	3,298,360	1,744,796	2,765,270	1,573,589
INTEREST COST	2,503,693	611,812	2,193,582	555,800
EXPECTED RETURN ON PLANNED ASSETS	(2,902,839)	-	(1,320,649)	-
ACTUARIAL (GAINS) / LOSSES	780,692	(31,159)	1,508,467	(511,653)
TOTAL	3,679,906	2,325,449	5,146,670	1,617,736
E ACTUARIAL ASSUMPTIONS				
MORTALITY TABLE (L.I.C. 1994-96)				
DISCOUNT RATE (PER ANNUM)	6.76%	7.73%	7.66%	8.00%
RATE OF ESCALATION IN SALARY	6.00%	6.00%	6.00%	6.00%

NOTES TO THE FINANCIAL STATEMENTS

28.03 Related Party Disclosure (To the extent Identified by the company)*	
Name & Relationship of the Related Parties:	
I. Enterprises where control exists: Vardhan Finvest Limited - Holding Company	g) Apag Elektronik AG, Switzerland h) Apag Elektronik S.R.O.
II. Enterprises over which promoters directly or indirectly have significant influence : a) Kanoria Chemicals & Industries Limited b) Suprawin Technologies Limited c) Breaking Wave Software Private Limited d) Kirtivardhan Finvest Services Limited e) Kanoria Africa Textiles PLC, Ethiopia f) Apag Elektronik CORP	i) Intrust Global Eservices Private Limited j) Ludlow Jute & Specialities Limited k) Sambhava Foundation - Charitable Trust III. Key Managerial Personnel: Mr. Surinder Kumar Kak, Managing Director IV. Relative of Directors: Mrs. Madhuvanti Kanoria

Transactions with Related Parties during the year :

(Amount in Rs.)

Nature of Transaction	Holding / Subsidiary		Enterprises over which promoters directly or indirectly have significant influence		Key Management Personnel* and Relative of Directors	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1. Managerial Remuneration						
Mr. Surinder Kumar Kak	-	-	-	-	13,535,425	13661986
2. Dividend paid						
Vardhan Finvest Limited	176,787,500	-	-	-	-	-
3. Interest paid						
Kirtivardhan Finvest Services Limited	-	-	997,260	11,984,931	-	-
4. Loan Received						
Kirtivardhan Finvest Services Limited	-	-	50,000,000	100,000,000	-	-
5. Loan repaid						
Kirtivardhan Finvest Services Limited	-	-	50,000,000	100,000,000	-	-
6. Commission Income						
Kanoria Chemicals & Industries Limited	-	-	27,798,539	24,607,319	-	-
Apag Elektronik S.R.O.	-	-	-	2,497,105	-	-
7. Rent Received						
Suprawin Technologies Limited	-	-	1,169,427	1,077,600	-	-
Intrust Global eServices Private Limited	-	-	960,000	960,000	-	-
8. Rent Paid						
Kanoria Chemicals & Industries Limited	-	-	1,020,000	1,020,000	-	-
9. Sale of Investment						
Vardhan Finvest Limited	-	815,000	-	-	-	-
10. (a) Sale of Goods						
Kanoria Africa Textiles PLC, Ethiopia	-	-	4,231,050	139,321,013	-	-
Apag Elektronik S.R.O.	-	-	1,731,060	58,404,386	-	-
Apag Elektronik CORP	-	-	9,918,625	90,993,787	-	-
Apag Elektronik AG	-	-	-	109,565	-	-
(b) Reimbursements						
Suprawin Technologies Limited	-	-	456,207	163,609	-	-
Intrust Global eServices Private Limited	-	-	403,567	144,733	-	-
11. Purchase (Other)						
Ludlow Jute & Specialities Limited	-	-	19,516	16,530	-	-
12. Purchase of Licence						
Intrust Global eServices Private Limited	-	-	1,448,247	-	-	-
13. Services Charge						
Kanoria Africa Textiles PLC, Ethiopia	-	-	-	117,338	-	-
14. CSR Paid						
Sambhava Foundation	-	-	3,372,590	2,700,000	-	-
15. Salary Paid						
Mrs. Madhuvanti Kanoria	-	-	-	-	7,392,000	6,720,000
Balance outstanding as on Balance Sheet date						
Receivable - Kanoria Chemicals & Industries Limited	-	-	13,153,683	9,917,760	-	-
- Kanoria Africa Textiles PLC	-	-	-	62,470,380	-	-
- APAG Elektronik S.R.O	-	-	-	15,866,369	-	-
- APAG Elektronik A.G.	-	-	-	109,565	-	-
- APAG Elektronik Corp.	-	-	7,309,680	-	-	-
- SUPRAWIN TECHNOLOGIES LIMITED	-	-	33,820	-	-	-
- Intrust Global Eservices Pvt. Ltd.	-	-	71,056	-	-	-
Managerial Remuneration payable	-	-	-	-	4,637,829	4,749,041

* Excluding Actuarial Valuation of Gratuity & Leave Encashment

All the above transactions are net of Taxation wherever is required

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31.03.2020 (Rs.)	For the year ended 31.03.2019 (Rs.)
28.04 Value of Import on CIF basis		
Raw Materials	166,510,197	64,538,409
Trading Goods	3,630,781,138	3,928,364,909
	3,797,291,335	3,992,903,318
28.05 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof.		
	For the year ended 31.03.2020 (Rs.)	For the year ended 31.03.2019 (Rs.)
	Value	%
Imported	171,889,724	100%
	171,889,724	100%
28.06 Value of Consumables and Stores & Spare parts (Excluding charged to other heads)		
	For the year ended 31.03.2020 (Rs.)	For the year ended 31.03.2019 (Rs.)
	Value	%
Indigenous	1,508,468	100%
	1,508,468	100%
	For the year ended 31.03.2018 (Rs.)	For the year ended 31.03.2017 (Rs.)
28.07 Expenditures in Foreign Exchange		
Foreign Travelling	686,149	629,120
Third Country Purchases	163,530,754	359,410,225
Finance cost	12,781,137	7,881,886
Professional Services	564,320	496,270
Others	22,179,366	18,084,489
	199,741,726	386,501,990
28.08 Earnings in Foreign Exchange		
Commission Income	169,999,770	158,468,213
FOB Value of Export	22,167,092	108,816,330
Third Country Sales	176,427,287	379,930,569
	368,594,149	647,215,112
28.09 Earning Per Share		
Profit for the year (Rs.)	241,638,831	250,395,630
Weighted average number of Equity Shares	15,160	15,160
Basic & Diluted earning per share of Rs. 1000/- each	15,939	16,517

NOTES TO THE FINANCIAL STATEMENTS

28.10 SEGMENT REPORTING						
A) Primary Segment Information (by Business Segment)						
(Amount in Rs.)						
Business Segment	2019-2020			2018-2019		
	Wind Turbine	Other than Wind Turbine	Total	Wind Turbine	Other than Wind Turbine	Total
Segment Revenue						
Revenue from operations	147,674,530	4,755,975,415	4,903,649,945	152,999,027	4,948,082,354	5,101,081,381
Segment Result	32,458,137	309,923,989	342,382,126	37,287,122	285,305,279	322,592,401
less : (i) Finance Cost	11,301,160	36,392,169	47,693,329	29,226,758	53,514,178	82,740,936
(ii) Exceptional items			-			-
(iii) Other Un-allocable expenditure			-			-
net off Un-allocable income		-	7,048,436		-	15,496,214
Profit before Tax	21,156,977	273,531,820	301,737,233	8,060,364	231,791,101	255,347,679
Tax Expense :						
For earlier years			254,751			11,253
Current Tax			45,716,857			54,758,430
MAT credit			18,175,600			(54,758,430)
Deferred Tax			(4,048,806)			4,940,796
Net Profit :			241,638,831			250,395,630
Other Information						
Segment Assets	636,859,370	1,703,295,230	2,340,154,600	726,283,799	1,483,997,133	2,210,280,932
Un-allocable Corporate Assets	-	-	200,892,792	-	-	233,350,448
Total Assets :			2,541,047,392			2,443,631,380
Segment Liabilities	372,517,937	1,099,641,499	1,472,159,436	467,417,721	913,115,746	1,380,533,467
Un-allocable Corporate Liabilities	-	-	102,110,033	-	-	109,506,538
Total Liabilities :			1,574,269,469			1,490,040,005
Segment Capital Employed	264,341,433	702,436,490	966,777,923	258,866,078	694,725,297	953,591,375
Un-allocable Capital Employed	-	-	-	-	-	-
Total Capital Employed :			966,777,923			953,591,375
Capital Expenditure	-	6,242,554	6,242,554	-	31,234,652	31,234,652
Un-allocable Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure :			6,242,554			31,234,652
Depreciation & Amortization	88,678,853	26,415,204	115,094,057	101,433,510	27,015,153	128,448,663
Un-allocable Depreciation	-	-	-	-	-	-
Total Depreciation & Amortization :			115,094,057			128,448,663
Other Non-cash expenses (included in Exceptional items)						
(B) Secondary Segment Information						
Not applicable, as revenue from Export Sale does not constitute 10% or more of total revenue of the Company.						
(C) Note on Segment information :						
1. Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17). Business Segments have been considered as primary segments.						
2. Segment Accounting Polices						
The accounting polices adopted for segment reporting are in line with the accounting polices of the company.						
3. Type of products included in each reported business segment:						
Wind Turbine Business includes Power generation from wind energy. And others includes Tea, Refrigerant Gas, Indenting & Traded Goods.						

NOTES TO THE FINANCIAL STATEMENTS

	31st March, 2020 (Rs.)	31st March, 2019 (Rs.)
<p>28.11 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:</p>		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	133,340	2,449,823
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	1,794
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
<p><i>The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.</i></p>		
<p>28.12 CSR Expenditure</p>		
<p>The Company undertook Corporate Social responsibility('CSR') programme and activities through a Trust registered under the Income Tax Act,1961.</p>		
	For the year ended 31.03.2020	For the year ended 31.03.2019
	(Rs.)	(Rs.)
(a) Gross Amount required to be spent by the company to the trust during the year	3,372,590	2,622,234
(b) Amount contributed by the company during the year	3,372,590	2,700,000
(c) Amount Spent on account of the Company by the trust : Construction/acquisition of any assets	-	-
On woman empowerment and promotion of vocational skills as well as promotion of education other than above (Including Rs. 4,82,278/- unspent in F.Y. 2018-19 previous year Rs. 11,15,630/-)	3,359,835	3,333,352
(d) Yet to be Spent	495,033	482,278
<p>28.13 Dividend</p>		
<p>The company has paid interim dividend of Rs. 5,000/- (Previous Year final dividend Rs. 7500/-) per equity share aggregating Rs.7,58,00,000/-. (Previous Year final dividend Rs. 11,37,000/-) including corporate dividend tax of Rs. 1,55,80,913/- (Previous Year Rs. 2,33,71,370/-) for the financial year ended March 31, 2020.</p>		

28.14 During the Financial year 2018-19, the Company had swapped the Rupee term loan taken from HDFC Bank into equivalent notional Euro 62,44,943.29 as per details given below :

Date of Swap Agreement	Principal outstanding (Rs)		
	As on date of Swap	As on 31.03.2019	As on 31.03.2020
25th July 2018	402,348,447	364,029,548	287,391,749
4th January 2019	99,384,425	93,172,899	68,326,792

The Company pays interest and installments as per terms of original Rupee Term loan agreements. However, such payment of interest and installments are credited back by HDFC Bank to the Company's account, and simultaneously the Company pays interest and installments in equivalent Euro as per terms of Swap agreements.

28.15 The Covid19 pandemic as well as lockdown imposed by the Government of India has resulted in severe disruption of businesses across multiple sectors including manufacturing. The recent monetary, fiscal and administrative measures undertaken by RBI as well Government of India, coupled with gradual easing of lock down in a phased manner are likely to help revival of the economy. Globally also now there is growing optimism on return to economic stability. The situation is fluid and uncertain and the return to normalcy is unpredictable. The company caters to the requirement of a diverse range of business segments and expects its business to pick up depending of course on the pace of revival of such segments. The Company has assessed recoverability of its assets and opined that it will recover the carrying cost of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

28.16 Previous Year figures have been regrouped and rearranged where ever required.

*Signatures to Notes 1 to 28.16
In terms of our Report of even date attached.*

As per our report annexed
For SINGHI & CO.,
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria
Partner
Membership No. 022973
Place : Noida (Delhi NCR)
Dated : 29.06.2020

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792