



KPL INTERNATIONAL LIMITED
chemistry of partnerships

Annual Report

2016-17



KPL INTERNATIONAL LIMITED

BOARD OF DIRECTORS

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

AUDITORS

Singhi & Co.
Chartered Accountants
New Delhi

BANKERS

Axis Bank Ltd.
Statesman House,
148, Barakhamba Road,
New Delhi - 110 001

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

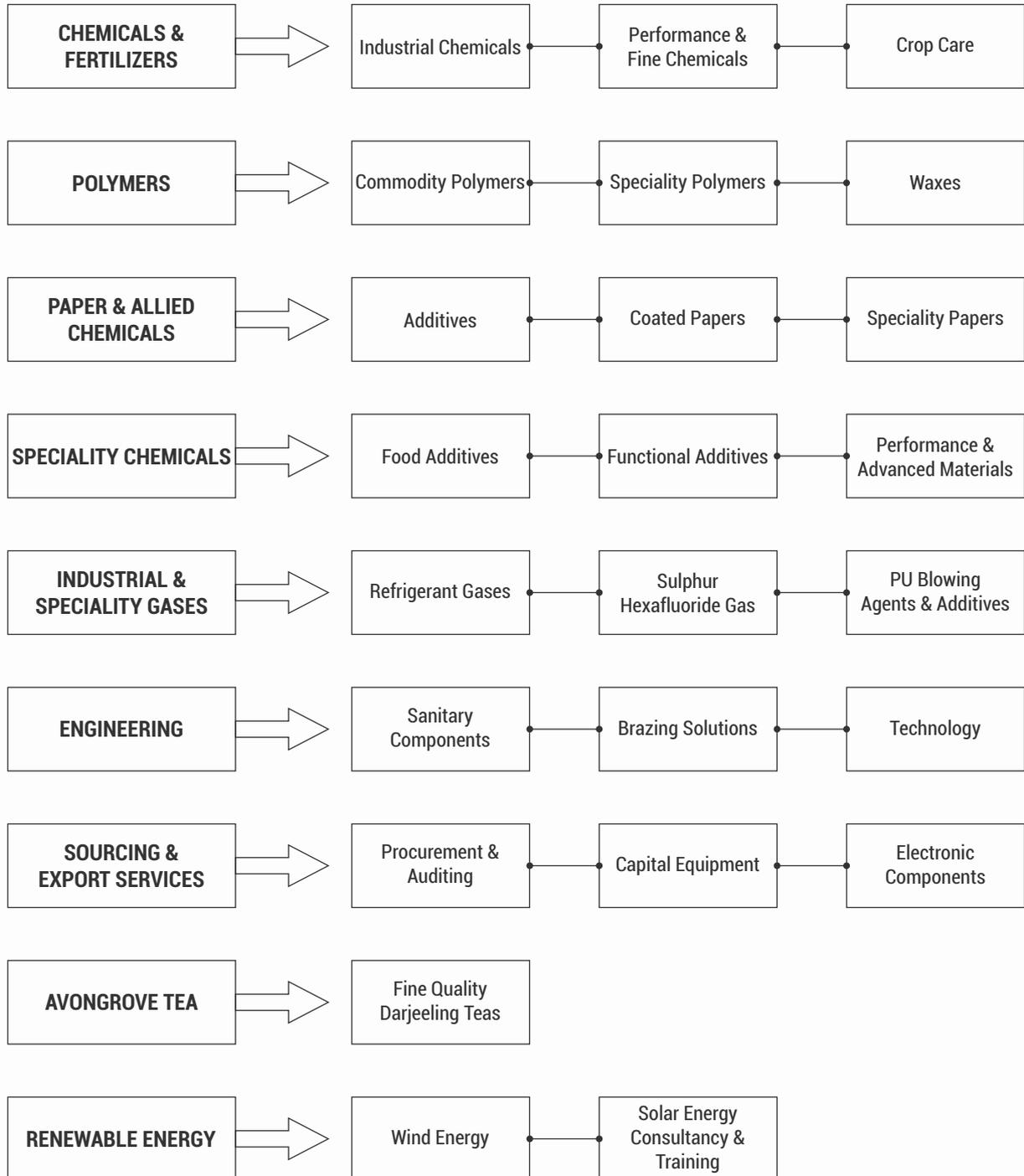
Statesman House
10th Floor, A-Wing
148, Barakhamba Road
New Delhi - 110 001
Phone: +91 11 43606200
Fax: +91 11 23355824
Email: info@kplintl.com
Website: www.kplintl.com

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. With its ISO 9001 quality certification and its process specialization in marketing, distribution and sourcing, KPL represents 35 global giants and over 3,500 customers that includes many of the finest Indian business houses. It 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 as a multi faceted enterprise 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.

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. KPL continues to develop this segment 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.

Another area of focus for the Company in recent years has been on the renewable energy sector. It presently has a generation capacity of 15.35 MW wind turbine electrical power. In an associated area, KPL acquired a company engaged in Solar Energy related consultancy and training, which is now TRA Renewables, KPL's Knowledge Services Division.

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 43rd Annual Report together with the Audited Annual Accounts of the Company for the year ended on 31st March, 2017.

FINANCIAL HIGHLIGHTS

During the year under review, the profit after tax was Rs. 1,409.75 Lakhs as against Rs. 829.09 Lakhs in the previous year.

WORKING RESULTS

	(Rs. In Lakhs)
Profit before Interest, Depreciation & Tax	2,298.75
Less: Interest	617.99
Depreciation & Amortization	704.81
Provision for Taxation (Including Deferred Tax)	(433.79)
	<hr/>
Profit for the year	1,409.75
Add: Balance as per last account	2,864.92
	<hr/>
Balance at the end of the year	4,274.67
	<hr/>

OPERATIONAL REVIEW

The Company's foundation of ethics and values continued to provide it the strength to deepen relationships with business associates and reaffirm its commitment to service excellence. The company maintained its position as one of the top Indenting and Distribution Companies in India mainly for Chemicals and Polymers. KPL takes pride in informing that it was ranked 68th out of 242 companies surveyed in July 2016 for the ICIS Top Chemical Distributor Listing, and was ranked 15th in the list of Asia Chemicals Distribution Leaders.

The turnover during the year was Rs. 35,333.50 lakhs as against Rs. 26,069.76 lakhs in the previous year. The increase in turnover was in spite of the business environment, in which the Company operates, remaining volatile and challenging. The income from commission was Rs. 1,390.32 lakhs as against Rs. 1,529.35 lakhs in previous year.

The Company's tea estate, 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), also conforms to Rainforest Alliance Certificate in accordance with Sustainable Agricultural Network (SAN) standard for the protection of Environment.

DIVIDEND

The Company has declared a dividend @ Rs. 4,000/- per equity share in the financial year 2016-17 subject to approval of the shareholders in the ensuing Annual General Meeting.

However, an Interim Dividend @ Rs. 2,500/- per equity share of Rs. 1,000/- was declared by the Board in the financial year 2017-18.

TRANSFER TO RESERVES

Your Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2017.

NEW PROJECTS IN RENEWABLE ENERGY SECTOR

During the year, the Company further commissioned five wind mills comprising of Four wind mills of 2.1 MW capacity each and One wind mill of 1.5 MW capacity, totalling 9.9 MW in the State of Gujarat. The total capacity of wind mills installed now stands at 15.35 MW, out of which 14.1 MW in the State of Gujarat and 1.25 MW in the State of Maharashtra.

The Company's investment in Wind Mills is on the lines of Government's endeavour to increase the share of green power in the country's energy mix.

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.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 and accordance with AS 21, the audited Consolidated Financial Statement has been annexed with the Annual Report.

DIRECTORS

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

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 2016-17, the Company held five meetings of the Board of Directors on 31st May, 2016, 29th August, 2016, 1st December, 2016, 6th January, 2017 and 14th March, 2017.

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 are 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 are 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, Shri Tulsi Das Bahety, Director and Shri Vinay Kumar Bagla, Independent Director of the Company. The Committee's constitution, terms of reference and role are 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

KPL Logistics Limited is a wholly owned subsidiary of the Company. A statement containing salient features of the financial statement of Subsidiary in Form AOC-1 is annexed as per Annexure – II forming part of this report. The statement also provides the details of performance, financial position of the 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. During the year, the Company had not entered into any contract/ arrangement with related parties which are material as per the provisions of Section 188 of the Companies Act, 2013.

STATUTORY AUDITORS & THEIR REPORT

M/s Singhi & Co., Chartered Accountants, Statutory Auditors of the Company, have confirmed their eligibility for being ratified as the Auditors of the Company at the ensuing Annual General Meeting of the Company. The observations made by the Auditors of the Company in their report are in the nature of general disclosure 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 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith marked as Annexure V 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, 2017 as per Annexure III 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.kplint.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.

FIXED DEPOSITS

The company has not accepted any fixed deposits from the public during the year and there is 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.

OTHER INFORMATION

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 IV to this report.

QUALITY MANAGEMENT SYSTEM

The Company is effectively maintaining the Quality system as per the requirements of ISO 9001:2008, 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

For and on behalf of the Board

R. V. Kanoria
Chairman
Din: 00003792

Dated: 05.06.2017

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
Shri Tulsi Das Bahety	Director

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

Average Net Profit : Rs. 17,42,14,579/-

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

Total amount required to spend : Rs. 34,84,292/-

(Towards which Rs. 35 Lacs contributed by the Company to a Trust)

5. Details of CSR spend for the financial year :

a) Amount spent for the financial year : Rs. 32,42,800/-

(including Rs. 23,60,269 unspent in F.Y 2015-16)

b) Amount unspent, if any : Rs. 26,01,761/-.

This amount shall be spent in F.Y 2017-18.

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 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	12,90,300	12,90,300	12,90,300	A Trust
2.	HUNAR – Empowering Woman through Skills	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	28,40,400	14,20,000	14,20,000	A Trust
3.	HUNAR – Social Entrepreneurship Pilot Project	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	3,41,500	3,41,500	3,41,500	A Trust
4.	Scholarship for Educational Promotion	Promotion of Education	All over India	1,91,000	1,91,000	1,91,000	A Trust
			Total	46,63,200	32,42,800	32,42,800	

Place : New Delhi
Date : 05.06.2017

Surinder Kumar Kak
Managing Director &
Chairman CSR Committee

FORM AOC – 1

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A"; Subsidiary – KPL Logistics Limited

Sl. No	Information	Amount (in Rs.)
1.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	NA
3.	Share Capital	5,00,000
4.	Reserves & Surplus	1,24,455
5.	Total asset	6,38,022
6.	Total liabilities	13,567
7.	Investments	5,80,971
8.	Turnover	31,981
9.	Profit before taxation	16,882
10.	Proposed dividend	Nil
11.	% of Shareholding	100%

Additional Information:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

PART "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate/ Joint Ventures	NA
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate/ Joint Ventures held by the Company on the year end	NA
No.	NA
Amount of investment in Associates/ Joint Venture	NA
Extent of Holding %	NA
3. Description of how there is significant influence	NA
4. Reason why the associate/ joint venture is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	NA
6. Profit/ Loss for the year	NA
(i) Considered in consideration	NA
(ii) Not considered in consideration	NA

Additional Information:

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

Place : New Delhi
Date : 05.06.2017

For and on behalf of the Board

R. V. Kanoria
Chairman
Din: 00003792

Form No. MGT-9

EXTRACT OF ANNUAL RETURNAs on the financial year ended on 31st March, 2017

[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	95.13%

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 KPL Logistics Limited 212A, 216 & 222, 2nd Floor, Indraprakash, 21, Barakhamba Road, New Delhi 110 001	U25209DL1985PLC042111	SUBSIDIARY COMPANY	100%	2(87)
2.	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	3.37	74	436	510	3.37	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	14,136	14,136	93.25	Nil	14,143	14,143	93.29	0.04
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	14,572	14,646	96.62	74	14,579	14,653	96.66	0.04
(2) Foreign									
a) NRIs - Individuals	15	436	451	2.97	15	436	451	2.97	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	2.97	15	436	451	2.97	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	89	15,008	15,097	99.59	89	15,015	15,104	99.63	0.04
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) FIs	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	36	27	63	0.41	36	20	56	0.37	-0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) NRI's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	36	27	63	0.41	36	20	56	0.37	-0.04
Total Public Shareholding (B)=(B)(1)+ (B)(2)	36	27	63	0.41	36	20	56	0.37	-0.04
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	125	15,035	15,160	100	125	15,035	15,160	100	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			Shares of % 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	0.10	Nil	15	0.1	Nil	Nil
2.	Anand Vardhan Kanoria	436	2.87	Nil	436	2.87	Nil	Nil
3.	Madhuvanti Kanoria	59	0.39	Nil	59	0.39	Nil	Nil
4.	Saumya Vardhan Kanoria	15	0.10	Nil	15	0.1	Nil	Nil
5.	Saumya Vardhan Kanoria	436	2.87	Nil	436	2.87	Nil	Nil
6.	Vardhan Finvest Limited	14,131	93.21	Nil	14,138	93.25	Nil	0.04
7.	Vardhan Finvest Limited with S. N. Patiodia	1	0.01	Nil	1	0.01	Nil	Nil
8.	Vardhan Finvest Limited with S. K. Kak	1	0.01	Nil	1	0.01	Nil	Nil
9.	Vardhan Finvest Limited with Sandeep Soni	1	0.01	Nil	1	0.01	Nil	Nil
10.	Vardhan Finvest Limited with M. L. Agarwal	1	0.01	Nil	1	0.01	Nil	Nil
11.	Vardhan Finvest Limited with Rajeev Datta	1	0.01	Nil	1	0.01	Nil	Nil
	Total	15,097	99.59	Nil	15,104	99.63	Nil	0.04

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

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.	Vardhan Finvest Limited				
	At the beginning of the year	14,136	93.25	14,136	93.25
	29.08.2016 Transfer	(+)2	0.01	14,138	93.26
	29.08.2016 Transfer	(+)1	0.01	14,139	93.27
	06.01.2017 Transfer	(+)4	0.02	14,143	93.29
	At the End of the year			14,143	93.29

(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		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	0.05	8	0.05
2.	Chirayush Pravin Vakil	6	0.04	6	0.04
3.	Renu Gupta	5	0.03	5	0.03
4.	R G Nayak	5	0.03	5	0.03
5.	G Gurumanickam	4	0.03	0	0
6.	Suresh Kumar	3	0.02	3	0.02
7.	Ashok Kumar Verma	2	0.01	0	0
8.	Gulshan Lal	2	0.01	2	0.01
9.	Jayantilal Khetsi Shah	2	0.01	2	0.01
10.	Pushpinder Kaur Dhillon	2	0.01	2	0.01

(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	2.97	451	2.97
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	-	-	-	-
	At the end of the year	451	2.97	451	2.97
2.	Saumya Vardhan Kanoria				
	At the beginning of the year	451	2.97	451	2.97
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	-	-	-	-
	At the end of the year	451	2.97	451	2.97

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	2,126.00	-	-	2,126.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	16.80	-	-	16.80
Total (i+ii+iii)	2,142.80	-	-	2,142.80
Change in Indebtedness during the financial year				
Addition	4,630.89	1,500.00	-	6,130.89
Reduction	233.33	1,500.00	-	1,733.33
Net Change	4,397.56	-	-	4,397.56
Indebtedness at the end of the financial year				
i) Principal Amount	6,523.56	-	-	6,523.56
ii) Interest due but not paid	-	0.14	-	0.14
iii) Interest accrued but not due	50.89	-	-	50.89
Total (i+ii+iii)	6,574.45	0.14	-	6,574.59

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	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68,31,265
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit	Nil
5.	Others, please specify	3,81,744
	Total (A)	72,13,009
	Ceiling as per the Act	As per Section II of Part II of Schedule V of Companies Act, 2013

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

Sl. No.	Particulars of Remuneration	Name of Director						
		Rajya Vardhan Kanoria	Saumya Vardhan Kanoria	Tulsi Das Bahety	Vaidehi Kanoria	Anand Vardhan Kanoria	Vinay Kumar Bagla	Rohit Mundra
1.	Independent Directors Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	1,05,000	70,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	1,05,000	70,000
2.	Other Non-Executive Directors							
	Fee for attending board / committee meetings	90,000	40,000	10,000	50,000	20,000	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	90,000	40,000	10,000	50,000	20,000	Nil	Nil
	Total (B)=(1+2)	90,000	40,000	10,000	50,000	20,000	1,05,000	70,000
	Total Managerial Remuneration	90,000	40,000	10,000	50,000	20,000	1,05,000	70,000
	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	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (C)	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Place : New Delhi
Date : 05.06.2017

For and on behalf of the Board

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 continues to give high priority to conservation of energy. In its Tea Estate, the Coal Saver Machine installed on 10.04.2014 has resulted in reduction of consumption of coal and fuel to 1.15 kg/per kg of tea against 2.77 kg/ per kg of tea in previous year.
- (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.

Place : New Delhi
Dated : 05.06.2017

For and on behalf of the Board

R. V. Kanoria
Chairman
Din: 00003792

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2017

[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 – 110 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ("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, 2017, 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, 2009;
 - (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, 1998;

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
 - 2. Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations 2011
 - 3. Drugs and Cosmetics Act, 1940 and Rules made there under
 - 4. Gas Cylinder Rules 2004
 - 5. Indian Explosives Act 1884
 - 6. Static & Mobile Pressure Vessel (Unfired) Rules, 1981
 - 7. Tea (Marketing) Control Order, 2003
 - 8. 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 (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and effective from 1st July 2015.
- (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, 2017.
- 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 labour 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 except the following events:

- (i) Annual increment to the remuneration paid to Mr. S. K. Kak, Managing Director of the Company.
- (ii) Passing of Special Resolution in pursuance to Section 180(1) (a) of the Companies Act, 2013 in the Annual General Meeting held on 15th September, 2016.
- (iii) Passing of Special Resolution in pursuance to Section 180(1) (c) of the Companies Act, 2013 in the Annual General Meeting held on 15th September, 2016.
- (iv) Transfer of unclaimed and unpaid dividend relating to Financial year 2008-09- to Investor Education Protection Fund.

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.

For Kavita Srivastava & Associates

(CS Kavita Srivastava)

Practising Company Secretary

M. No. : F6260

C. P. No. : 9393

Place: New Delhi

Date : 05.06.2017

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.

"ANNEXURE A"

To,
The Members,
KPL International Limited
(CIN: U23209DL1974PLC029068)
212A, 216 & 222, 2nd Floor
Indraprakash, 21, Barakhamba Road
New Delhi – 110 001

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. Wherever 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 efficacy or effectiveness with which the management has conducted the affairs of the company.

For Kavita Srivastava & Associates

(CS Kavita Srivastava)
Practising Company Secretary
M.No. : F6260
C. P.No. : 9393

Place : New Delhi
Date : 05.06.2017

INDEPENDENT AUDITOR'S REPORT

To the Members of KPL International Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

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 Act, 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from other branches/depots not visited by us.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (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(b)** to the Financial Statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the company.
 - iv. The Company has provided requisite disclosures in Note No. 28.13 to these financial statements as to holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the book of accounts maintained by the company as produced to us.

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

Place: Noida
Date: 05.06.2017

B.L. Choraria
Partner
Membership No. 022973

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 fixed assets.
- b. As informed to us, the company has a phased programme of physical verification of its fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. Management has physically verified fixed assets 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) As explained to us, inventories were physically verified during the year by the management. 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) According to the information and explanation given to us, 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) In our opinion and according to the information and explanations given to us, 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, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- 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, excise duty 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	29,97,380	5,74,468	Commissioner of Income Tax (Appeals)	A.Y 2010-11
	52,68,773	19,97,083	Commissioner of Income Tax (Appeals)	A.Y 2013-14
	64,98,439	21,83,460	Commissioner of Income Tax (Appeals)	A.Y 2014-15
Sales Tax (including penalty Rs. 55,44,941)	88,39,933	-	Madras High Court	2004-05
	2,93,444	1,00,000	Jt. Commissioner (Appeal), Thane, Maharashtra	2011-12
	5,03,020	2,89,000	Jt. Commissioner (Appeal), Thane, Maharashtra	2010-11
	4,91,535	1,80,000	Jt. Commissioner (Appeal), Thane, Maharashtra	2012-13
	4,54,904	50,000	Additional Commissioner, Delhi	2012-13

- viii) Based on our audit procedures and on the information and explanations given by the management, 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) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained. The company has not raised any moneys by way of Public issue/ Follow-on offer.
- (x) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/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) To the best of our knowledge and belief and according to the information and explanations given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him, therefore provisions of this clause are not applicable to the company.
- (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

Place: Noida
Date: 05.06.2017

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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the 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 over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Noida
Date: 05.06.2017

B.L. Choraria
Partner
Membership No. 022973

KPL INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	15,186,500	15,186,500
(b) Reserves and Surplus	3	739,481,842	598,507,146
		754,668,342	613,693,646
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	559,403,450	191,350,000
(b) Deferred Tax Liabilities (Net)	5	7,630,666	43,186,448
(c) Other Long-term Liabilities	6	8,911,979	2,872,579
(d) Long-term Provisions	7	13,124,097	11,177,830
		589,070,192	248,586,857
(3) Current Liabilities			
(a) Short-term Borrowings	8	437,478,289	191,640,570
(b) Trade Payables	9		
(i) Dues of Micro, Small & Medium Enterprises		11,267,236	-
(ii) Dues of Others		280,358,713	199,397,142
(c) Other Current Liabilities	10	210,616,854	101,695,762
(d) Short-term Provisions	7	2,284,161	1,878,159
		942,005,253	494,611,633
TOTAL		2,285,743,787	1,356,892,136
II. ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	11		
(i) Tangible Assets		1,289,898,141	525,977,640
(ii) Capital Work-in-Progress		-	102,109,694
(iii) Intangible Assets		9,423,852	13,143,077
		1,299,321,993	641,230,411
(b) Non-current Investments	12	75,602,750	49,352,750
(c) Long-term Loans & Advances	13	2,811,905	11,366,750
		1,377,736,648	701,949,911
(2) Current Assets			
(a) Inventories	14	269,861,725	180,924,712
(b) Trade Receivables	15	457,730,239	345,471,046
(c) Cash and Cash Equivalents	16	74,359,830	59,420,968
(d) Short-term Loans & Advances	13	100,208,189	63,771,546
(e) Other Current Assets	17	5,847,156	5,353,953
		908,007,139	654,942,225
TOTAL		2,285,743,787	1,356,892,136
Significant Accounting policies	1		
Contingent Liabilities and Commitments	27		
Other Notes to Accounts	28		

The accompanying notes are an integral part of the Financial Statements
This is the Balance Sheet referred to in our report of even date attached.

For and on behalf of the Board,

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

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

B.L. Choraria
Partner
Membership No. 022973

M.L. Agarwal
Chief Financial Officer

Place: Noida
Dated : 05.06.2017

KPL INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
I. Revenue from Operations (Net)	18	3,690,362,193	2,762,526,816
II. Other Income	19	17,611,147	29,344,646
III. Total Revenue(I+II)		3,707,973,340	2,791,871,462
IV. Expenses:			
Cost of Materials Consumed	20	76,275,745	53,420,780
Purchases of Stock-in-Trade	21	3,156,361,153	2,251,701,261
Change in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(90,234,684)	23,386,977
Employee Benefits Expense	23	134,156,073	123,675,735
Finance Cost	24	61,798,628	17,122,298
Depreciation & Amortization Expense	25	70,480,830	26,119,702
Other Expenses	26	201,539,828	165,156,435
Total Expenses		3,610,377,573	2,660,583,188
V. Profit before Tax (III-IV)		97,595,767	131,288,274
VI. Tax Expense			
(a) Current Tax		27,048,821	32,860,108
(b) MAT Credit		(27,048,821)	(25,410,342)
(c) Deferred Tax		(35,555,782)	41,527,502
(d) For earlier years		(7,823,147)	(597,997)
		(43,378,929)	48,379,271
VII. Profit for the Year (V-VI)		140,974,696	82,909,003
Earning per Equity Share of Rs 1000/- each	28.09		
Basic & Diluted		9,299	5,469
Significant Accounting policies	1		
Other Notes to Accounts	28		

The accompanying notes are an integral part of the Financial Statements

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

For and on behalf of the Board,

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

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

B.L. Choraria
Partner
Membership No. 022973

M.L. Agarwal
Chief Financial Officer

Place: Noida
Dated : 05.06.2017

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

	<i>For the year ended 31.03.2017 (Rs.)</i>	<i>For the year ended 31.03.2016 (Rs.)</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and exceptional items	97,595,767	131,288,275
Adjustments for :		
Depreciation & Amortisation Expense	70,480,830	26,119,702
Sundry Balances Written off	282,146	1,141,126
(Profit) / Loss on Sale of Fixed Assets (Net)	(580,519)	(362,875)
Finance Cost	48,698,645	9,560,677
Provision for doubtful debts	23,300,019	13,305,156
Dividend Income from Investments	(1,188,877)	(7,821)
Income from Investments	(996,426)	(6,822,770)
Liability no longer required written back	(1,284,751)	(572,900)
Interest Income	(2,753,796)	(8,265,713)
Unrealised Foreign Exchange Fluctuation (Net) loss / (gain)	257,034	1,786,485
Prior Period Adjustment	-	257,518
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	233,810,072	167,426,858
(Increase) / Decrease in Trade Receivables	(139,509,241)	53,966,332
(Increase) / Decrease in Inventories	(88,937,013)	22,075,860
(Increase) / Decrease in Loan & Advances	8,640,496	29,234,783
Increase / (Decrease) in Liabilities	131,891,448	(87,363,934)
CASH GENERATED FROM OPERATIONS	145,895,762	185,339,900
Direct Tax Paid	30,823,504	28,757,817
CASH FROM OPERATING ACTIVITIES BEFORE PRIOR PERIOD ITEMS	115,072,258	156,582,083
Prior Period Items	-	257,518
NET CASH GENERATED FROM OPERATIONS	115,072,258	156,324,565
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(729,051,365)	(376,071,642)
Purchase of Investments (Net)	(26,250,000)	(824,211)
Dividend and Interest Income from Investments	2,183,404	10,271,798
Fixed Deposit (Net) (Increase)/Decrease	(6,845,653)	123,651,534
Income from Investments	996,426	6,822,770
Net Proceeds from Sale of Fixed Assets	1,059,472	525,538
NET CASH FROM INVESTING ACTIVITIES	(757,907,714)	(235,624,213)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowing from Bank Increase/ (Decrease)	255,984,089	33,153,133
Interest Paid	(44,811,190)	(8,031,004)
Dividend Paid (including DDT & Unpaid Dividend)	39,850	(145,969,671)
Repayment of Short Term Loans	(23,333,332)	-
Long Term Borrowings Increase / (Decrease)	463,089,097	191,350,000
NET CASH (USED)/FROM FINANCING ACTIVITIES	650,968,514	70,502,458
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8,133,059	(8,797,190)
Cash and cash equivalent as at 31.03.2016	27,439,350	36,236,540
Cash and cash equivalent as at 31.03.2017	35,572,409	27,439,350
Cash and Cash equivalents includes		
Cash and Bank Balances (Refer Note 16)	74,359,830	59,420,968
Less: Other Bank Balances	38,787,421	31,981,618
Cash and Cash Equivalents	35,572,409	27,439,350

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 and on behalf of the Board,

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

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

B.L. Choraria, Partner
Membership No. 022973
Place: Noida
Dated : 05.06.2017

M.L. Agarwal
Chief Financial Officer

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 respects 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 under the duty drawback scheme 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 fixed assets 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) The liability towards leave encashment at the year end is accounted for on actuarial valuation basis.
- ii) 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 except for Avongrove Tea Estate for which liability is provided in accordance with AS 15 issued by ICAI.

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.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)		As at 31.03.2016 (Rs.)	
4. LONG-TERM BORROWINGS				
	Non-current		Current maturities	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
SECURED				
Term Loans: From bank				
(a) Secured by equitable mortgage of office premises situated at "Prestige Shantiniketan", Bangalore (Repayable in 20 Quarterly installments beginning from 31 st December 2015)	37,500,000	52,500,000	15,000,000	15,000,000
(b) Secured by hypothecation over entire Current Assets (Except related to Wind Turbine part funded by HDFC Bank). Hypothecation over entire Movable Fixed Assets (except vehicles, and Movable Fixed Assets related to Wind Turbine part funded by HDFC Bank); and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon (Repayable in 72 equal monthly installments beginning from 31 st December 2016)	115,935,672	138,850,000	24,999,996	6,250,000
(c) Secured by exclusive charge on movable fixed assets and current assets of wind turbines located at Vejalpar and Jamanvada site and equitable mortgage of office premises at Statesman, Barakhamba Road, New Delhi (Repayable in 26 Quarterly installments beginning from 24 th July 2017)	405,967,778	-	52,952,319	-
Less :- Amount disclosed under the head "other current liabilities" (Note no. 10)			92,952,315	21,250,000
	559,403,450	191,350,000	-	-
	As at 31.03.2017		As at 31.03.2016	
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 fixed assets		61,451,555		56,687,494
	(a)	61,451,555		56,687,494
Deferred Tax Assets				
Employee Benefits		4,761,152		4,518,678
Unabsorbed Business Losses		33,611,108		-
Others		15,448,629		8,982,368
	(b)	53,820,889		13,501,046
	(a-b)	7,630,666		43,186,448
6. OTHER LONG-TERM LIABILITIES				
Security Deposits		8,911,979		2,872,579
		8,911,979		2,872,579
7. PROVISIONS	Long-term		Short-term	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Provision for employee benefits:				
For Gratuity	7,749,367	7,115,336	804,829	600,118
For Accrued Leave	5,374,730	4,062,494	1,479,332	1,278,041
	13,124,097	11,177,830	2,284,161	1,878,159

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
8. SHORT-TERM BORROWINGS		
<u>From Banks:</u>		
(a) Cash Credit Facilities Repayable on Demand (Secured) (Secured by hypothecation over entire Current Assets (Except related to Wind Turbine part funded by HDFC Bank). Hypothecation over entire Movable Fixed Assets (except vehicles and Movable Fixed Assets related to Wind Turbine part funded by HDFC Bank) ; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon)	109,369,617	106,384,502
(b) Buyer's Credit (Secured) (Secured by equitable mortgage of office premises located at Universal Business Park, Mumbai and "Golden Heights", Rajajinagar, Bangalore and subservient charge on the current assets except the current assets of wind turbines located at Jamanvada and Vejalpar site in Gujarat.)	295,997,198	85,256,068
(c) Bill Discounted (Unsecured)	32,111,474	-
	437,478,289	191,640,570
9 TRADE PAYABLES		
(a) Micro, Small and Medium Enterprises (Refer note no 28.11)	11,267,236	-
(b) Other Entities		
For Goods	251,190,337	175,964,407
For Services	29,168,376	23,432,735
	280,358,713	199,397,142
10. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long term debts (Refer note no. 4)	92,952,315	21,250,000
(b) Interest accrued but not due on Buyer's Credit and Term Loan	5,595,715	1,708,260
(c) Unpaid Dividend*	220,000	259,620
(d) Advance From Customers	26,180,657	47,769,316
(e) Employee related liabilities	14,133,123	14,463,828
(f) Statutory dues	14,402,016	8,824,466
(g) Security & Trade deposits	1,484,180	785,735
(h) Amount payable for Capital Goods	53,838,088	4,476,349
(i) Other liabilities	1,810,760	2,158,188
	210,616,854	101,695,762
*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.		

NOTES TO FINANCIAL STATEMENTS

11. Property, Plant and Equipments

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Cost Upto 31.03.2016 (Rs.)	Addition During The year (Rs.)	Sales / adjustment During the Year (Rs.)	Cost Upto 31.03.2017 (Rs.)	Depreciation upto 31.03.2016 (Rs.)	Depreciation For the Year (Rs.)	Sales / Adjustment During the Year (Rs.)	Depreciation Upto 31.03.2017 (Rs.)	WDV as on 31.03.2017 (Rs.)	WDV as on 31.03.2016 (Rs.)
Tangible Assets										
Land	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
Leasehold Land	6,870,000	8,440,000	-	15,310,000	47,921	435,041	-	482,962	14,827,038	6,822,079
Tea Plantation	20,676,296	-	-	20,676,296	-	-	-	-	20,676,296	20,676,296
Buildings	321,898,642	111,938,656	-	433,837,298	109,282,959	15,013,651	-	124,296,610	309,540,688	212,615,683
Roads	861,581	-	-	861,581	818,502	-	-	818,502	43,079	43,079
Plant & Machinery	342,802,023	685,398,727	9,105	1,028,191,645	71,585,148	41,796,514	9,105	113,372,558	914,819,087	271,216,875
Furniture and Fittings	12,063,099	7,676,985	-	19,740,084	9,524,090	2,214,199	-	11,738,289	8,001,795	2,539,009
Office Equipment	6,263,496	10,669,951	-	16,933,447	4,869,292	2,782,458	-	7,651,749	9,281,697	1,394,204
Motor Vehicles	22,073,651	5,365,304	1,797,331	25,641,624	15,421,998	3,284,500	1,318,378	17,388,120	8,253,504	6,651,653
Computers and data processing units	13,104,615	1,654,236	41,408	14,717,443	11,605,990	1,091,675	41,408	12,656,257	2,061,186	1,498,625
Electrical Installations & Equipment	2,650,814	-	-	2,650,814	2,330,677	126,366	-	2,457,043	193,771	320,137
Total (A)	751,464,217	831,143,859	1,847,844	1,580,760,232	225,486,577	66,744,404	1,368,891	290,862,090	1,289,898,141	525,977,640
Intangible Assets										
Computer Softwares	7,628,527	17,200	-	7,645,727	6,585,087	376,625	-	6,961,712	684,015	1,043,440
Intellectual Property & Rights	31,587,540	-	-	31,587,540	19,487,902	3,359,801	-	22,847,703	8,739,837	12,099,637
Total (B)	39,216,067	17,200	-	39,233,267	26,072,989	3,736,426	-	29,809,415	9,423,852	13,143,077
Total C- (A+B)	790,680,284	831,161,059	1,847,844	1,619,993,499	251,559,566	70,480,830	1,368,891	320,671,505	1,299,321,993	539,120,717
Capital Work in Progress	-	-	-	-	-	-	-	-	-	102,109,694
Total (D)	-	-	-	-	-	-	-	-	-	102,109,694
Grand Total (C+D)	790,680,284	831,161,059	1,847,844	1,619,993,499	251,559,566	70,480,830	1,368,891	320,671,505	1,299,321,993	641,230,411
<i>Figures for the Corresponding Previous year</i>	517,850,254	273,961,948	1,131,918	790,680,284	226,409,120	26,119,702	969,254	251,559,566	641,230,411	291,441,134

NOTES TO FINANCIAL STATEMENTS

		As at 31.03.2017 (Rs.)		As at 31.03.2016 (Rs.)		
12. INVESTMENTS						
NON CURRENT		Face Value (Rs.)	No.	Amount	No.	Amount
NON TRADE INVESTMENTS (Valued at Cost unless stated otherwise)						
a) QUOTED						
INVESTMENT IN EQUITY INSTRUMENTS						
Federal Bank Ltd.(Fully Paid Up)						
		2	7,110	102,750	7,110	102,750
Number of units						
	As at 01.04.2016	Purchased/ addition during the year	Sold during the year	As at 31.03.2017		
b) UNQUOTED EQUITY INSTRUMENTS						
INVESTMENT IN SUBSIDIARY COMPANY						
KPL Logistics Limited (Fully Paid Up)						
(Face value of Rs. 10/-per unit)						
				50,000	50,000	500,000
INVESTMENT IN VENTURE CAPITAL FUND						
ASK Pravi Private Equity Opportunities Fund						
(Face value of Rs. 1,00,000/-per unit)						
	487.50 (375.00)	262.50 (112.50)	- -	750.00 (487.50)	75,000,000	48,750,000
				<u>75,602,750</u>	<u>49,352,750</u>	
		As at 31.03.2017		As at 31.03.2016		
		Book Value	Market Value	Book Value	Market Value	
Aggregate amount of:-						
Quoted Investments		102,750	649,499	102,750	330,260	
Unquoted Investments		<u>75,500,000</u>	-	<u>49,250,000</u>	-	
		<u>75,602,750</u>		<u>49,352,750</u>		
Note :- Figures in bracket pertain to previous year						
		Long-term		Short-term		
		As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)	
13. LOANS AND ADVANCES						
Advance recoverable in cash or in kind						
(a) Security Deposits						
	2,215,175	1,796,792	1,536,767	2,575,248		
(Unsecured, considered good)						
(b) Other Loans and Advances :						
(Unsecured, considered good)						
Prepaid Expenses						
	81,356	148,837	5,141,177	5,027,560		
Balance with Central Excise and other Government Authorities						
	-	-	16,578,765	10,749,388		
Income Tax Payments and Tax deducted at Source less Provision						
	-	-	9,134,156	3,087,477		
MAT Credit Receivable						
	-	-	60,073,230	25,410,342		
Advance to Employees						
	5,200	16,678	494,273	715,959		
Advance to Suppliers						
	-	-	6,007,837	15,417,162		
Capital Advance						
	510,174	9,404,443	-	-		
Other Advance						
	-	-	1,241,984	788,410		
		<u>2,811,905</u>	<u>11,366,750</u>	<u>100,208,189</u>	<u>63,771,546</u>	

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
14. INVENTORIES		
(As taken, valued and certified by the Management)		
(a) Raw Materials	2,219,730	3,626,571
(b) Stores and Spare Parts	701,193	592,023
(c) Finished Goods	4,102,893	4,169,334
(d) Stock In Trade (Chemicals, Polymer & Others)	262,837,909	172,536,784
	269,861,725	180,924,712
Details of Finished Goods / Raw Materials	Finished Goods	Raw Materials
	As at 31.03.2017	As at 31.03.2016
	As at 31.03.2017	As at 31.03.2016
Refrigerant Gas	2,594,405	2,560,681
Tea	1,508,488	1,608,653
	4,102,893	4,169,334
	2,219,730	3,626,571
	4,169,334	3,626,571
15. TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Outstanding for a period exceeding six months from due date		
Secured, Considered Good	-	-
Unsecured, Considered Good	12,918,123	11,893,817
Unsecured, under litigation	47,179,657	47,179,657
Less: Provision	49,995,563	25,953,100
	10,102,217	33,120,374
(b) Other		
Unsecured, Considered Good	447,628,022	312,350,672
	447,628,022	312,350,672
	457,730,239	345,471,046
16. CASH AND CASH EQUIVALENTS		
(A) CASH AND CASH EQUIVALENTS		
(a) Cash in hand	227,783	105,151
(b) Balances with Banks		
In Current Account	16,028,715	2,048,478
In EEFC Account	981,387	603,081
In Current Account (Foreign Countries)	18,334,524	17,285,569
Cheque in hand	-	7,397,071
Total (A)	35,572,409	27,439,350
(B) OTHER BANK BALANCES		
(a) Earmarked Balances With Banks		
In Unpaid Dividend Account	219,770	259,620
(b) Margin Money held as Securities	38,567,651	31,721,998
Total (B)	38,787,421	31,981,618
Total (A+B)	74,359,830	59,420,968
17. OTHER CURRENT ASSETS		
Unsecured, Considered Good unless otherwise stated		
(a) Export Benefits Receivable	439,390	10,685
(b) Dividend & Interest Receivable	3,245,728	1,486,460
(c) Other Receivable	2,162,038	3,856,808
	5,847,156	5,353,953

NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
18. REVENUE FROM OPERATIONS		
(a) Sale of Products		
Tea (Including Export Sales of Rs 43,94,291 (Previous Year- Rs. Nil))	31,636,444	21,983,005
Refrigerant Gas	95,126,884	64,709,922
Wind Power	47,075,361	9,563,742
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales of Rs. 24,39,86,947 (Previous Year - Rs. 9,88,32,192))	3,359,511,052	2,510,719,596
	3,533,349,741	2,606,976,265
(b) Commission Income (Refer Note no- 28.01 of Other Notes to Account)	139,031,803	152,934,919
(c) Solar Training	27,014,802	8,946,711
(d) Other Operating Revenue Export Benefits	1,528,315	827,312
Revenue from operations (Gross)	3,700,924,661	2,769,685,207
Less :- Excise Duty	10,562,468	7,158,391
Revenue from operations (Net)	3,690,362,193	2,762,526,816
19. OTHER INCOME		
Interest Income		
From Fixed Deposit	1,519,394	7,851,037
From Others	1,234,402	414,676
Dividend Income		
On long term Investments	4,977	7,821
On Current Investments	1,183,900	-
Income from Investments	996,426	6,822,770
Exchange Rate Fluctuation - Net	540,671	-
Rent Income	9,449,462	12,677,574
Liabilities No longer required written back	1,284,751	626,305
Subsidy	73,118	190,695
Profit on Sale of Fixed Assets - Net	580,519	362,875
Miscellaneous receipts	743,527	390,893
	17,611,147	29,344,646
20. COST OF RAW MATERIAL CONSUMED		
Refrigerant Gas	76,275,745	53,420,780
	76,275,745	53,420,780
21. PURCHASES OF STOCK IN TRADE		
Traded Goods (Chemicals, Polymers & Others)	3,156,361,153	2,251,701,261
	3,156,361,153	2,251,701,261
22. CHANGE IN INVENTORIES		
Finished Goods		
Opening Stock	4,169,334	1,626,251
Closing Stock	4,102,893	4,169,334
Decrease /(Increase)	66,441	(2,543,083)
Stock in Trade		
Opening Stock	172,536,784	198,466,844
Closing Stock	262,837,909	172,536,784
Decrease /(Increase)	(90,301,125)	25,930,060
Change in inventory	(90,234,684)	23,386,977

NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
23. EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages, Bonus & Gratuity etc.	117,447,018	106,548,573
Managerial Remuneration	7,213,009	7,623,821
Contribution to Provident Fund	8,190,640	7,597,847
Staff Welfare	1,305,406	1,905,494
	134,156,073	123,675,735
24. FINANCE COST		
Interest Paid to Bank	5,801,042	3,005,037
Interest on Term Loan	42,897,603	6,555,641
Other Borrowing cost (including Bank Charges)	13,099,983	7,561,620
	61,798,628	17,122,298
25. DEPRECIATION AND AMORTISATION		
Depreciation	70,045,789	26,071,781
Amortisation	435,041	47,921
	70,480,830	26,119,702
26. OTHER EXPENSES		
Consumption of Stores & Spare parts etc.	1,308,685	1,138,638
Power & Fuel	6,030,898	5,607,712
Rent	14,097,571	13,210,180
Repairs to Plant & Machinery	152,537	91,350
Repairs to Buildings	5,309,877	4,824,657
Repairs to Others	7,067,432	7,010,983
Insurance	2,571,817	2,287,128
Rates & Taxes	3,976,425	2,842,402
Auditors' Remuneration		
Audit Fees	635,625	577,375
Tax Audit Fees	50,250	37,588
Certification Fees	90,412	66,993
Reimbursement of Expenses	18,562	22,720
Premium on currency hedging Contracts	9,589,653	15,042,137
Exchange Rate difference - Net	-	10,169,394
Selling & Distributing Expenses	70,128,947	41,835,389
Directors Sitting Fees	442,250	348,450
Travelling Expenses	15,015,154	13,231,234
Bad Debt	516,030	1,141,126
Provision for Bad & Doubtful Debts	24,578,708	13,843,171
Donation	25,000	-
Corporate Social Responsibility Expenses (Refer Note No. 28.12)	3,500,000	4,000,000
Previous Year Expenses	-	257,518
Miscellaneous Expenses	36,433,995	27,570,291
	201,539,828	165,156,435

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)				
27. CONTINGENT LIABILITIES & COMMITMENTS :						
27.01 CONTINGENT LIABILITIES						
(a) Bank Guarantees given to various Govt. Authorities / others	143,780,366	209,125,241				
(b) (i) Income Tax demand under appeal	14,764,592	5,268,772				
(ii) Sales Tax demand including penalty Rs. 55,44,941	10,582,836	10,582,836				
27.02 OTHER LITIGATIONS						
The Company has filed law suit against certain customers for recovery of Rs. 4,71,79,657/- (Previous Year Rs. 4,71,79,657/-) 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. 5,10,174/- (Previous Year Rs. 1,53,45,153/-)						
28 OTHER NOTES TO ACCOUNTS						
28.01 Commission Income includes shipments made earlier years but advice received in Current Year Rs. 26,31,627/- (Previous year Rs.27,70,186/-).						
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.)				
	2016-17	2015-16				
PARTICULARS	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASH (UNFUNDED)	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASH (UNFUNDED)
A RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION						
DEFINED BENEFIT OBLIGATION AS ON 01-04-2016	9,904,809	8,563,197	5,340,535	9,468,684	7,546,171	5,290,524
EMPLOYER SERVICE COST	1,031,672	826,987	1,308,459	342,040	902,556	1,069,203
INTEREST COST	789,906	684,568	427,243	757,494	567,168	423,242
ACTUARIAL (GAINS) / LOSSES	(148,726)	873,716	234,304	1,285,670	147,784	(1,323,310)
BENEFITS PAID	(143,619)	(514,494)	(456,479)	(1,949,079)	(600,482)	(119,124)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2017	11,434,042	10,433,974	6,854,062	9,904,809	8,563,197	5,340,535
B RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS						
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE YEAR	10,752,551	-	-	10,615,786	-	-
EXPECTED RETURN ON PLANNED ASSETS	873,025	-	-	831,415	-	-
CONTRIBUTION	1,831,863	-	-	1,254,429	-	-
BENEFITS PAID	(143,619)	-	-	(1,949,079)	-	-
ACTUARIAL (GAINS) / LOSSES	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT YEAR END	13,313,820	-	-	10,752,552	-	-
C RECONCILIATION OF FAIR VALUE OF ASSETS & OBLIGATION						
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2017	13,313,820	-	-	10,752,552	-	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2017	11,434,042	10,433,974	6,854,062	9,904,809	8,563,197	5,340,535
AMOUNT RECOGNISED IN BALANCE SHEET	(1,879,778)	10,433,974	6,854,062	(847,743)	8,563,197	5,340,535
D EXPENSES RECOGNISED DURING THE YEAR 2016-17						
CURRENT SERVICE COST	1,031,672	826,987	1,308,459	342,040	902,556	1,069,203
INTEREST COST	789,906	684,568	427,243	757,494	567,168	423,242
EXPECTED RETURN ON PLANNED ASSETS	(873,025)	-	-	(831,415)	-	-
ACTUARIAL (GAINS) / LOSSES	(148,726)	873,716	234,304	1,285,670	147,784	(1,323,310)
TOTAL	799,827	2,385,271	1,970,006	1,553,789	1,617,508	169,135
E ACTUARIAL ASSUMPTIONS						
MORTALITY TABLE (L.I.C. 1994-96)						
DISCOUNT RATE (PER ANNUM)	8%	8%	7%	8%	8%	8%
RATE OF ESCALATION IN SALARY	6%	6%	6%	6%	6%	6%

NOTES TO 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:
 - a) Vardhan Finvest Limited - Holding Company
 - b) KPL Logistics Limited - Subsidiary Company
- II. Enterprises over which promoters directly or indirectly have significant influence :
 - a) Kanoria Chemicals & Industries Limited
 - b) Suprawin Technologies Limited
 - c) Breaking Wave Software Pvt Limited
 - d) Kirtivardhan Finvest Services Limited
 - e) Kanoria Africa Textiles PLC, Ethiopia
 - f) Apag Elektronik AG, Switzerland
 - g) Apag Elektronik S.R.O.
 - h) Intrust Global eServices Pvt. Limited
 - I) Ludlow Jute & Specialities Limited
 - j) 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1. Managerial Remuneration Mr. Surinder Kumar Kak	-	-	-	-	7,213,009	7,623,821
2. Dividend paid Vardhan Finvest Limited	-	113,088,000	-	-	-	-
3. Interest paid Kirtivardhan Finvest Services Limited	-	-	1,353,425	-	-	-
4. Loan Received Kirtivardhan Finvest Services Limited	-	-	50,000,000	-	-	-
5. Loan repaid Kirtivardhan Finvest Services Limited	-	-	50,000,000	-	-	-
6. Commission Income Kanoria Chemicals & Industries Limited	-	-	2,406,192	2,317,799	-	-
Apag Elektronik S.R.O.	-	-	173,751	-	-	-
7. Rent Received SuprawinTechnologies Limited	-	-	918,277	-	-	-
Intrust Global eServices Pvt. Limited	-	-	692,083	-	-	-
8. Rent Paid Kanoria Chemicals & Industries Limited	-	-	661,920	628,692	-	-
9. (a) Sale of Goods Kanoria Africa Textiles PLC, Ethiopia	-	-	85,135,530	4,574,666	-	-
Apag Elektronik S.R.O.	-	-	5,081,324	47,563,726	-	-
(b) Reimbursements Apag Elektronik AG, Switzerland	-	-	-	1,318,577	-	-
10. Purchase (Other) Ludlow Jute & Specialities Limited	-	-	12,167	-	-	-
11. Website Development Paid Breaking Wave Software Pvt Limited	-	-	247,650	173,526	-	-
12. CSR Paid Sambhava Foundation	-	-	3,500,000	4,000,000	-	-
13 Retainership Fee Paid Mrs. Madhuvanti Kanoria	-	-	-	-	6,030,000	5,002,500
Balance outstanding as on Balance Sheet date						
Receivable - Kanoria Chemicals & Industries Limited	-	-	2,767,121	2,317,799	-	-
-Kanoria Africa Textiles PLC	-	-	60,347,490	-	-	-
-APAG Elektronik S.R.O	-	-	199,814	663,184	-	-
-APAG Elektronik A.G.	-	-	-	206,357	-	-
Remuneration payable to Mr. Surinder Kumar Kak	-	-	-	-	-	1,318,767

* Excluding Actuarial Valuation of Gratuity & Leave Encashment

NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2017 (Rs.)		For the year ended 31.03.2016 (Rs.)	
28.04 Value of Import on CIF basis				
Raw Materials	68,557,569		50,950,662	
Trading Goods	2,574,565,259		1,750,664,956	
	2,643,122,828		1,801,615,618	
	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Value (Rs.)	%	Value (Rs.)	%
28.05 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof.				
Imported	76,275,745	100%	53,420,780	100%
	76,275,745	100%	53,420,780	100%
28.06 Value of Consumables and Stores & Spare parts (Excluding charged to other heads)				
Indigenous	1,308,685	100%	1,138,638	100%
	1,308,685	100%	1,138,638	100%
	For the year ended 31.03.2017 (Rs.)		For the year ended 31.03.2016 (Rs.)	
28.07 Expenditures in Foreign Exchange				
Foreign Travelling	823,733		581,176	
Third Country Purchases	152,581,153		85,693,809	
Professional Services	499,623		527,787	
Others	15,541,124		12,399,018	
	169,445,633		99,201,790	
28.08 Earnings in Foreign Exchange				
Commission Income	134,369,433		145,314,232	
FOB Value of Export	103,122,022		8,289,225	
Third Country Sales	142,974,078		90,199,065	
	380,465,533		243,802,522	
28.09 Earning Per Share				
Profit for the year (Rs.)	140,974,696		82,909,003	
Weighted average number of Equity Shares	15,160		15,160	
Basic & Diluted earning per share of Rs. 1000/- each	9,299		5,469	

NOTES TO FINANCIAL STATEMENTS

28.10 SEGMENT REPORTING						
A) Primary Segment Information (by Business Segment)						
(Amount in Rs.)						
Business Segment	2016-2017			2015-2016		
	Wind Turbine	Other than Wind Turbine	Total	Wind Turbine	Other than Wind Turbine	Total
Segment Revenue						
Revenue from operations (net of excise)	47,075,361	3,584,521,207	3,631,596,568	9,563,742	2,775,062,453	2,784,626,195
Segment Result	2,807,722	158,025,772	160,833,494	6,121,955	165,420,571	171,542,526
less : (i) Finance Cost	24,416,316	37,382,312	61,798,628			17,122,298
(ii) Exceptional items			-			-
(iii) Other Un-allocable expenditure			-			-
net off Un-allocable income			(1,439,099)			(2,987,749)
Profit before Tax			97,595,767			131,288,274
Tax Expense :						
For earlier years			(7,823,147)			(597,997)
Current Tax			27,048,821			32,860,108
MAT credit			(27,048,821)			(25,410,342)
Deferred Tax			(35,555,782)			41,527,502
Net Profit :			140,974,696			82,909,003
Other Information						
Segment Assets	926,132,394	1,212,631,344	2,138,763,738	280,624,560	997,035,465	1,277,660,025
Un-allocable Corporate Assets	-	-	146,980,050	-	-	79,232,111
Total Assets :			2,285,743,788			1,356,892,136
Segment Liabilities	657,883,739	854,944,881	1,512,828,620	1,602,000	480,183,852	481,785,852
Un-allocable Corporate Liabilities	-	-	18,246,825	-	-	70,062,638
Total Liabilities :			1,531,075,445			551,848,490
Segment Capital Employed	-	625,935,118	625,935,118	-	805,043,646	805,043,646
Un-allocable Capital Employed	-	-	-	-	-	-
Total Capital Employed :			625,935,118			805,043,646
Capital Expenditure	692,271,520	138,889,538	831,161,058	271,367,988	104,703,654	376,071,642
Un-allocable Capital Expenditure	-	-	-	-	-	-
Total Capital Expenditure :			831,161,058			376,071,642
Depreciation & Amortization	41,075,138	29,405,692	70,480,830	2,002,718	24,116,984	26,119,702
Un-allocable Depreciation	-	-	-	-	-	-
Total Depreciation & Amortization :			70,480,830			26,119,702
Other Non-cash expenses (included in Exceptional items)						
(B) Secondary Segment Information						
Not applicable, as 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 Policies						
The accounting policies adopted for segment reporting are in line with the accounting policies 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, Solar training, Indenting & Traded Goods.						

NOTES TO FINANCIAL STATEMENTS

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:			
	31st March, 2017	31st March, 2016	
	(Rs.)	(Rs.)	
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11,267,236	-	
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	
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	-	-	
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.			
28.12 CSR Expenditure			
The Company undertook Corporate Social responsibility ('CSR') programme and activities through a Trust registered under the Income Tax Act, 1961. by contributing Rs 35,00,000/-.			
(a) Gross Amount required to be spent by the company during the year	3,484,292	3,745,627	
(b) Amount Spent by the Company through this trust :	-	-	
Construction/acquisition of any assets			
On purpose other than above (Including Rs. 23,60,269/- unspent in F.Y. 2015-16)	3,242,800	2,614,180	
Yet to be Spent	2,601,761	2,360,269	
28.13 The details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as below :			
	SBN (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	194,000	15,860	209,860
(+) Permitted receipts	6,000	703,607	709,607
(-) Permitted payments	-	380,183	380,183
(-) Amount deposited in Banks	200,000	-	200,000
Closing cash in hand as on 30.12.2016	-	339,284	339,284

NOTES TO FINANCIAL STATEMENTS

28.14 Proposed Dividend

The Board of Directors of the company has recommended a dividend of Rs. 4,000/- per equity share of Rs 1,000/- each subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

Signatures to Notes 1 to 28.15
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
Dated : 05.06.2017

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

M.L. Agarwal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of KPL International Limited

Report on the Consolidation Financial Statements

We have audited the accompanying Consolidation financial statements of **KPL International Limited** ("the Holding Company"), and its subsidiary (the holding Company and its subsidiary together referred to as "the Company or the group") which comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidation Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended).
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the subsidiary company, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 consolidated financial statement has disclosed the impact of pending litigations on the consolidated financial position of the group – **Refer Note No. 28.01 (b)** to the Consolidated Financial Statements;
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Holding company and its subsidiary company.
 - iv. The Company has provided requisite disclosures in Note No. 29.10 to these financial statements as to holding of Specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the book of accounts maintained by the company as produced to us

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

B.L. Choria
Partner
Membership No. 022973

Place : Noida
Date : 05.06.2017

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of KPL International Limited (“the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls 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 over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 Holding Company and its Subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

B.L. Choraria
Partner
Membership No. 022973

Place : Noida
Date : 05.06.2017

KPL INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET As At 31ST MARCH 2017

Particulars	Note No.	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	15,186,500	15,186,500
(b) Reserves and Surplus	4	739,606,296	598,617,936
		754,792,796	613,804,436
(2) Non-current Liabilities			
(a) Long-term Borrowings	5	559,403,450	191,350,000
(b) Deferred Tax Liabilities (Net)	6	7,630,666	43,186,448
(c) Other Long-term Liabilities	7	8,911,979	2,872,579
(d) Long-term Provision	8	13,124,097	11,177,830
		589,070,192	248,586,857
(3) Current Liabilities			
(a) Short-term Borrowings	9	437,478,289	191,640,570
(b) Trade Payables	10	-	-
(i) Dues of Micro, Small & Medium Enterprises		11,267,236	-
(ii) Dues of Others		280,358,713	199,397,142
(c) Other Current Liabilities	11	210,627,206	101,706,112
(d) Short-term Provisions	8	2,287,378	1,881,086
		942,018,822	494,624,910
TOTAL		2,285,881,810	1,357,016,203
II. ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipments	12		
(i) Tangible Assets		1,289,898,141	525,977,640
(ii) Capital Work-in-Progress		-	102,109,694
(iii) Intangible Assets		9,423,852	13,143,077
		1,299,321,993	641,230,411
(b) Non-current Investments	13	75,683,722	49,438,637
(c) Long-term Loans & Advances	14	2,811,905	11,366,750
		1,377,817,620	702,035,798
(2) Current Assets			
(a) Inventories	15	26,98,61,725	180,924,712
(b) Trade Receivables	16	457,730,239	345,471,046
(c) Cash and Cash Equivalents	17	74,416,881	59,459,148
(d) Short-term Loans & Advances	14	100,208,189	63,771,546
(e) Other Current Assets	18	5,847,156	5,353,953
		908,064,190	654,980,405
TOTAL		2,285,881,810	1,357,016,203
Significant Accounting policies	1		
Contingent Liabilities and Commitments	28		
Other Notes to Accounts	29		

The accompanying notes are an integral part of the Financial Statements

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

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

For and on behalf of the Board,

B.L. Choraria
Partner
Membership No. 022973

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

Place : Noida
Dated : 05.06.2017

M.L. Agarwal
Chief Financial Officer

KPL INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
I. Revenue from Operations (Net)	19	3,690,362,193	2,762,526,816
II. Other Income	20	17,643,127	29,376,362
III. Total Revenue(I+II)		3,708,005,320	2,791,903,178
IV. Expenses:			
Cost of Materials Consumed	21	76,275,745	53,420,780
Purchases of Stock-in-Trade	22	3,156,361,153	2,251,701,261
Change in Inventories of finished goods, work-in-progress and Stock in-Trade	23	(90,234,684)	23,386,977
Employee Benefits Expense	24	134,156,073	123,675,735
Finance Cost	25	61,799,001	17,122,737
Depreciation & Amortization Expense	26	70,480,830	26,119,702
Other Expenses	27	201,554,554	165,172,354
Total Expenses		3,610,392,671	2,660,599,545
V. Profit before Tax (III-IV)		97,612,649	131,303,633
VI. Tax Expense			
(a) Current Tax		27,052,038	32,863,035
(b) MAT Credit		(27,048,821)	(25,410,342)
(c) Deferred Tax		(35,555,782)	41,527,502
(d) For earlier years		(7,823,147)	(597,997)
		(43,375,712)	48,382,198
VII. Profit for the Year (V-VI)		140,988,361	82,921,436
Earning per Equity Share of Rs 1000/- each	29.04		
Basic & Diluted		9,300	5,470
Significant Accounting policies	1		-
Other Notes to Accounts	29		

The accompanying notes are an integral part of the Financial Statements

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

For SINGHI & CO.
Chartered Accountants

For and on behalf of the Board,

Firm Reg. No. 302049E
B.L. Choraria
Partner
Membership No. 022973

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

Place : Noida
Dated : 05.06.2017

M.L. Agarwal
Chief Financial Officer

KPL INTERNATIONAL LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

	<i>For the year ended 31.03.2017 (Rs.)</i>	<i>For the year ended 31.03.2016 (Rs.)</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and exceptional items	97,612,649	131,303,633
Adjustments for:		
Depreciation & Amortisation Expense	70,480,830	26,119,702
Sundry Balances Written off	282,146	1,141,126
(Profit) / Loss on Sale of Fixed Assets (Net)	(580,519)	(362,875)
Finance Cost	48,698,645	9,560,677
Provision for doubtful debts	23,300,019	13,305,156
Dividend Income from Investments	(1,188,877)	(7,821)
Income from Investments	(1,028,407)	(6,854,487)
Liability no longer required written back	(1,284,751)	(572,900)
Interest Income	(2,753,796)	(8,265,713)
Unrealised Foreign Exchange Fluctuation (Net) loss / (gain)	257,034	1,786,485
Prior Period Adjustment	-	257,518
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	233,794,973	167,410,502
(Increase) / Decrease in Trade Receivables	(139,509,241)	53,966,332
(Increase) / Decrease in Inventories	(88,937,013)	22,075,860
(Increase) / Decrease in Loan & Advances	8,640,496	29,234,783
Increase / (Decrease) in Liabilities	131,891,451	(87,363,696)
CASH GENERATED FROM OPERATIONS	145,880,666	185,323,780
Direct Tax Paid	30,826,430	28,757,817
CASH FROM OPERATING ACTIVITIES BEFORE PRIOR PERIOD ITEMS	115,054,236	156,565,963
Prior Period Items	-	257,518
NET CASH GENERATED FROM OPERATIONS	115,054,236	156,308,445
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(729,051,365)	(376,071,642)
Purchase of Investments (Net)	(26,245,085)	(825,587)
Dividend and Interest Income from Investments	2,183,404	10,271,798
Fixed Deposit (Net) (Increase)/Decrease	(6,845,653)	123,651,534
Income from Investments	1,028,407	6,854,487
Net Proceeds from Sale of Fixed Assets	1,059,472	525,538
NET CASH FROM INVESTING ACTIVITIES	(757,870,820)	(235,593,872)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowing from Bank Increase/ (Decrease)	255,984,089	33,153,133
Interest Paid	(44,811,190)	(8,031,004)
Dividend Paid (including DDT & Unpaid Dividend)	39,850	(145,969,671)
Repayment of Short Term Loans	(23,333,332)	-
Long Term Borrowings Increase / (Decrease)	463,089,097	191,350,000
NET CASH (USED)/FROM FINANCING ACTIVITIES	650,968,514	70,502,458
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8,151,930	(8,782,968)
Cash and cash equivalent as at 31.03.2016	27,477,530	36,260,498
Cash and cash equivalent as at 31.03.2017	35,629,460	27,477,530
Cash and Cash equivalents includes		
Cash and Bank Balances (Refer Note No.17)	74,416,881	59,459,148
Less: Other Bank Balances	38,787,421	31,981,618
Cash and Cash Equivalents	35,629,460	27,477,530

Notes :

- The cash flow statement has been prepared under indirect method as per accounting standard (AS-3).
- 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
Dated : 05.06.2017

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

M.L. Agarwal
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statement represents consolidation of accounts of KPL International Limited, the Parent Company, is a public limited company and KPL Logistics Limited, its Subsidiary (together referred to as "The Group"). Both the companies are incorporated In India under the provisions of the Companies Act, 1956. The Consolidated Financial Statements are prepared in conformity with Accounting Standards -21 "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India as set out below:

- (i) The financial statements of the Parent Company and its subsidiary have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and any unrealised profits / losses included therein, if any.
- (ii) The consolidated Financial Statements are prepared by adopting uniform policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- (iii) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company.
- (iv) The Proportion of Parent Company's share ownership in Subsidiary is 100%.

2. 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 respects 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 under the duty drawback scheme 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 fixed assets 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) The liability towards leave encashment at the year end is accounted for on actuarial valuation basis.
- (ii) 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 except for Avongrove Tea Estate for which liability is provided in accordance with AS 15 issued by ICAI.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. LONG-TERM BORROWINGS				
	Non-current		Current maturities	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
SECURED				
Term Loans: From bank				
(1) Secured by equitable mortgage of office premises situated at "Prestige Shantiniketan", Bangalore (Repayable in 20 Quarterly installments beginning from 31 st December 2015)	37,500,000	52,500,000	15,000,000	15,000,000
(2) Secured by hypothecation over entire Current Assets (Except related to Wind Turbine part funded by HDFC Bank). Hypothecation over entire Movable Fixed Assets (except vehicles, and Movable Fixed Assets related to Wind Turbine part funded by HDFC Bank) ; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon (Repayable in 72 equal monthly installments beginning from 31 st December 2016)	115,935,672	138,850,000	24,999,996	6,250,000
(3) Secured by exclusive charge on movable fixed assets and current assets of wind turbines located at Vejalpar and Jamanvada site and equitable mortgage of office premises at Statesman, Barakhamba Road, New Delhi (Repayable in 26 Quarterly installments beginning from 24 th July 2017)	405,967,778	-	52,952,319	-
Less :- Amount disclosed under the head "other current liabilities" (Note no. 11)	-	-	92,952,315	21,250,000
	559,403,450	191,350,000	-	-
	As at 31.03.2017		As at 31.03.2016	
6. 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 fixed assets				
		61,451,555		56,687,494
(a)		61,451,555		56,687,494
Deferred Tax Assets				
Employee Benefits				
		4,761,152		4,518,678
Unabsorbed Business Losses				
		33,611,108		-
Others				
		15,448,629		8,982,368
(b)		53,820,889		13,501,046
(a-b)		7,630,666		43,186,448
7. OTHER LONG-TERM LIABILITIES				
Security Deposits				
		8,911,979		2,872,579
		8,911,979		2,872,579
8. PROVISIONS				
	Long-term		Short-term	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(a) Provision for employee benefits:				
For Gratuity	7,749,367	7,115,336	804,829	600,118
For Accrued Leave	5,374,730	4,062,494	1,479,332	1,278,041
(b) Other Provisions:				
For Taxation	-	-	3,217	2,927
	13,124,097	11,177,830	2,287,378	1,881,086

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
9. SHORT-TERM BORROWINGS		
<u>From Banks:</u>		
(a) Cash Credit Facilities Repayable on Demand (Secured) (Secured by hypothecation over entire Current Assets (Except related to Wind Turbine part funded by HDFC Bank). Hypothecation over entire Movable Fixed Assets (except vehicles and Movable Fixed Assets related to Wind Turbine part funded by HDFC Bank) ; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon)	109,369,617	106,384,502
(b) Buyer's Credit (Secured) (Secured by equitable mortgage of office premises located at Universal Business Park, Mumbai and "Golden Heights", Rajajinagar, Bangalore and subservient charge on the current assets except the current assets of wind turbines located at Jamanvada and Vejalpar site in Gujarat.)	295,997,198	85,256,068
(c) Bill Discounted (Unsecured)	32,111,474	-
	437,478,289	191,640,570
10. TRADE PAYABLES		
(a) Micro, Small and Medium Enterprises (Refer note no. 29.06)	11,267,236	-
(b) Other Entities		
For Goods	251,190,337	175,964,407
For Services	29,168,376	23,432,735
	280,358,713	199,397,142
11. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long term debts (Refer note no. 5)	92,952,315	21,250,000
(b) Interest accrued but not due on Buyer's Credit	5,595,715	1,708,260
(c) Unpaid Dividend*	220,000	259,620
(d) Advance From Customers	26,180,657	47,769,316
(e) Employee related liabilities	14,133,123	14,463,828
(f) Statutory dues	14,402,016	8,824,466
(g) Security & Trade deposits	1,484,180	785,735
(h) Amount payable for Capital Goods	53,838,088	4,476,349
(i) Other liabilities	1,821,112	2,168,538
	210,627,206	101,706,112
*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.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Property, Plant and Equipments

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK			
	Cost Upto 31.03.2016 (Rs.)	Addition During The year (Rs.)	Sales / adjustment During the Year (Rs.)	Cost Upto 31.03.2017 (Rs.)	Depreciation upto 31.03.2016 (Rs.)	Depreciation For the Year (Rs.)	Sales / Adjustment During the Year (Rs.)	Depreciation Upto 31.03.2017 (Rs.)	WDV as on 31.03.2017 (Rs.)	WDV as on 31.03.2016 (Rs.)
Tangible Assets										
Land	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
Leasehold Land	6,870,000	8,440,000	-	15,310,000	47,921	435,041	-	482,962	14,827,038	6,822,079
Tea Plantation	20,676,296	-	-	20,676,296	-	-	-	-	20,676,296	20,676,296
Buildings	321,898,642	111,938,656	-	433,837,298	109,282,959	15,013,651	-	124,296,610	309,540,688	212,615,683
Roads	861,581	-	-	861,581	818,502	-	-	818,502	43,079	43,079
Plant & Machinery	342,802,023	685,398,727	9,105	1,028,191,645	71,585,148	41,796,514	9,105	113,372,558	914,819,087	271,216,875
Furniture and Fittings	12,063,099	7,676,985	-	19,740,084	9,524,090	2,214,199	-	11,738,289	8,001,795	2,539,009
Office Equipment	6,263,496	10,669,951	-	16,933,447	4,869,292	2,782,458	-	7,651,749	9,281,697	1,394,204
Motor Vehicles	22,073,651	5,365,304	1,797,331	25,641,624	15,421,998	3,284,500	1,318,378	17,388,120	8,253,504	6,651,653
Computers and data processing units	13,104,615	1,654,236	41,408	14,717,443	11,605,990	1,091,675	41,408	12,656,257	2,061,186	1,498,625
Electrical Installations & Equipment	2,650,814	-	-	2,650,814	2,330,677	126,366	-	2,457,043	193,771	320,137
Total (A)	751,464,217	831,143,859	1,847,844	1,580,760,232	225,486,577	66,744,404	1,368,891	290,862,090	1,289,898,141	525,977,640
Intangible Assets										
Computer Softwares	7,628,527	17,200	-	7,645,727	6,585,087	376,625	-	6,961,712	684,015	1,043,440
Intellectual Property & Rights	31,587,540	-	-	31,587,540	19,487,902	3,359,801	-	22,847,703	8,739,837	12,099,637
Total (B)	39,216,067	17,200	-	39,233,267	26,072,989	3,736,426	-	29,809,415	9,423,852	13,143,077
Total C- (A+B)	790,680,284	831,161,059	1,847,844	1,619,993,499	251,559,566	70,480,830	1,368,891	320,671,505	1,299,321,993	539,120,717
Capital Work in Progress	-	-	-	-	-	-	-	-	-	102,109,694
Total (D)	-	-	-	-	-	-	-	-	-	102,109,694
Grand Total (C+D)	790,680,284	831,161,059	1,847,844	1,619,993,499	251,559,566	70,480,830	1,368,891	320,671,505	1,299,321,993	641,230,411
<i>Figures for the Corresponding Previous year</i>	517,850,254	273,961,948	1,131,918	790,680,284	226,409,120	26,119,702	969,254	251,559,566	641,230,411	291,441,134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		As at 31.03.2017 (Rs.)		As at 31.03.2016 (Rs.)		
13. INVESTMENTS						
NON CURRENT		Face Value (Rs.)	No.	Amount	No.	Amount
NON TRADE INVESTMENTS (Valued at Cost unless stated otherwise)						
a) QUOTED						
INVESTMENT IN EQUITY INSTRUMENTS						
Federal Bank Ltd.(Fully Paid Up)						
	2	7,110	102,750	7,110	102,750	
Number of units						
	As at 01.04.2016	Purchased/ addition during the year	Sold during the year	As at 31.03.2017		
b) UNQUOTED EQUITY INSTRUMENTS						
Suprawin Technologies Limited						
(Face value of Rs. 10/-per unit)						
Birla Sunlife						
			10	1	10	1
INVESTMENT IN VENTURE CAPITAL FUND						
ASK Pravi Private Equity Opportunities Fund						
(Face value of Rs. 1,00,000/-per unit)						
487.50	262.50	-	750.00	75,000,000	48,750,000	
(375.00)	(112.50)	-	(487.50)			
				<u>75,683,722</u>	<u>49,438,637</u>	
		As at 31.03.2017		As at 31.03.2016		
		Book Value	Market Value	Book Value	Market Value	
Aggregate amount of:-		102,750	649,499	102,750	330,260	
Quoted Investments		<u>75,580,972</u>	-	<u>49,335,887</u>	-	
Unquoted Investments		<u>75,683,722</u>		<u>49,438,637</u>		
Note :- Figures in bracket pertain to previous year						
		Long-term		Short-term		
		As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)	
14. LOANS AND ADVANCES						
Advance recoverable in cash or in kind						
(a) Security Deposits						
(Unsecured, considered good)						
	2,215,175	1,796,792	1,536,767	2,575,248		
(b) Other Loans and Advances :						
(Unsecured, considered good)						
Prepaid Expenses						
	81,356	148,837	5,141,177	5,027,560		
Balance with Central Excise and other Government Authorities						
	-	-	16,578,765	10,749,388		
Income Tax Payments and Tax deducted at Source less Provision						
	-	-	9,134,156	3,087,477		
MAT Credit Receivable						
	-	-	60,073,230	25,410,342		
Advance to Employees						
	5,200	16,678	494,273	715,959		
Advance to Suppliers						
	-	-	6,007,837	15,417,162		
Capital Advance						
	510,174	9,404,443	-	-		
Other Advance						
	-	-	1,241,984	788,410		
		2,811,905	11,366,750	100,208,189	63,771,546	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
15. INVENTORIES		
(As taken, valued and certified by the Management)		
(a) Raw Materials	2,219,730	3,626,571
(b) Stores and Spare Parts	701,193	592,023
(c) Finished Goods	4,102,893	4,169,334
(d) Stock In Trade (Chemicals, Polymer & Others)	262,837,909	172,536,784
	269,861,725	180,924,712
Details of Finished Goods / Raw Materials	Finished Goods	Raw Materials
	As at	As at
	31.03.2017	31.03.2016
Refrigerant Gas	2,594,405	2,560,681
Tea	1,508,488	1,608,653
	4,102,893	4,169,334
	2,219,730	3,626,571
	3,626,571	-
	4,102,893	3,626,571
16. TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
(a) Outstanding for a period exceeding six months from due date		
Unsecured, Considered Good	12,918,123	11,893,817
Unsecured, under litigation	47,179,657	47,179,657
Less: Provision	49,995,563	25,953,100
	10,102,217	33,120,374
(b) Other		
Unsecured, Considered Good	447,628,022	312,350,672
	447,628,022	312,350,672
	457,730,239	345,471,046
17. CASH AND CASH EQUIVALENTS		
(A) CASH AND CASH EQUIVALENTS		
(a) Cash in hand	232,481	109,849
(b) Balances with Banks		
In Current Account	16,081,068	2,081,960
In EEFC Account	981,387	603,081
In Current Account (Foreign Countries)	18,334,524	17,285,569
Cheque in hand	-	7,397,071
Total (A)	35,629,460	27,439,350
(B) OTHER BANK BALANCES		
(a) Earmarked Balances With Banks		
In Unpaid Dividend Account	219,770	259,620
(b) Margin Money held as Securities	38,567,651	31,721,998
Total (B)	38,787,421	31,981,618
Total (A+B)	74,416,881	59,459,148
18. OTHER CURRENT ASSETS		
Unsecured, Considered Good unless otherwise stated		
(a) Export Benefits Receivable	439,390	10,685
(b) Dividend & Interest Receivable	3,245,728	1,486,460
(c) Other Receivable	2,162,038	3,856,808
	5,847,156	5,353,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
19. REVENUE FROM OPERATIONS		
(a) Sale of Products		
Tea (Including Export Sales of Rs 43,94,291 (Previous Year- Rs. Nil))	31,636,444	21,983,005
Refrigerant Gas	95,126,884	64,709,922
Wind Power	47,075,361	173,838,690
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales of Rs. 24,39,86,947 (Previous Year - Rs. 9,88,32,192))	3,359,511,052	9,563,742
	3,533,349,741	2,606,976,265
(b) Commission Income (Refer Note no- 29.01 of Other Notes to Account)	139,031,803	152,934,919
(c) Solar Training	27,014,802	8,946,711
(d) Other Operating Revenue		
Export Benefits	1,528,315	827,312
Revenue from operations (Gross)	3,700,924,661	2,769,685,207
Less :- Excise Duty	10,562,468	7,158,391
Revenue from operations (Net)	3,690,362,193	2,762,526,816
20. OTHER INCOME		
Interest Income		
From Fixed Deposit	1,519,394	7,851,037
From Others	1,234,402	414,676
Dividend Income		
On long term Investments	4,977	7,821
On Current Investments	1,183,900	-
Income from Investments	1,028,407	6,854,487
Exchange Rate Fluctuation - Net	540,671	-
Rent Income	9,449,462	12,677,574
Liabilities No longer required written back	1,284,751	626,305
Subsidy	73,118	190,695
Profit on Sale of Fixed Assets - Net	580,519	362,875
Miscellaneous receipts	743,526	390,892
	17,643,127	29,376,362
21. COST OF RAW MATERIAL CONSUMED		
Refrigerant Gas	76,275,745	53,420,780
	76,275,745	53,420,780
22. PURCHASES OF STOCK IN TRADE		
Traded Goods (Chemicals, Polymers & Others)	3,156,361,153	2,251,701,261
	3,156,361,153	2,251,701,261
23. CHANGE IN INVENTORIES		
Finished Goods		
Opening Stock	4,169,334	1,626,251
Closing Stock	4,102,893	4,169,334
Decrease / (Increase)	66,441	(2,543,083)
Stock in Trade		
Opening Stock	172,536,784	198,466,844
Closing Stock	262,837,909	172,536,784
Decrease / (Increase)	(90,301,125)	25,930,060
Change in inventory	(90,234,684)	23,386,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
24. EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages, Bonus & Gratuity etc.	117,447,018	106,548,573
Managerial Remuneration	7,213,009	7,623,821
Contribution to Provident Fund	8,190,640	7,597,847
Staff Welfare	1,305,406	1,905,494
	134,156,073	123,675,735
25. FINANCE COST		
Interest Paid to Bank	5,801,042	3,005,037
Interest on Term Loan	42,897,603	6,555,641
Other Borrowing cost (including Bank Charges)	13,100,356	7,562,059
	61,799,001	17,122,737
26. DEPRECIATION AND AMORTISATION		
Depreciation	70,045,789	26,071,781
Amortisation	435,041	47,921
	70,480,830	26,119,702
27. OTHER EXPENSES		
Consumption of Stores & Spare parts etc.	1,308,685	1,138,638
Power & Fuel	6,030,898	5,607,712
Rent	14,097,571	13,210,180
Repairs to Plant & Machinery	152,537	91,350
Repairs to Buildings	5,309,877	4,824,657
Repairs to Others	7,067,432	7,010,983
Insurance	2,571,817	2,287,128
Rates & Taxes	3,976,425	2,842,402
Auditors' Remuneration		
Audit Fees	645,975	587,873
Tax Audit Fees	50,250	37,588
Certification Fees	90,412	66,993
Reimbursement of Expenses	18,562	22,720
Premium on currency hedging Contracts	9,589,653	15,042,137
Exchange Rate difference - Net	-	10,169,394
Selling & Distributing Expenses	70,128,947	41,835,389
Directors Sitting Fees	442,250	348,450
Travelling Expenses	15,015,154	13,231,234
Bad Debt	516,030	1,141,126
Provision for Bad & Doubtful Debts	24,578,708	13,843,171
Donation	25,000	-
Corporate Social Responsibility Expenses (Refer Note No. 29.07)	3,500,000	4,000,000
Previous Year Expenses	-	257,518
Miscellaneous Expenses	36,438,371	27,575,711
	201,554,554	165,172,354
	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
28. CONTINGENT LIABILITIES & COMMITMENTS :		
28.01 CONTINGENT LIABILITIES		
(a) Bank Guarantees given to various Govt. Authorities / others	143,780,366	209,125,241
(b) (i) Income Tax demand under appeal	14,764,592	5,268,772
(ii) Sales Tax demand including penalty Rs. 55,44,941/-	10,582,836	10,582,836
28.02 OTHER LITIGATIONS		
The Company has filed law suit against certain customers for recovery of Rs. 4,71,79,657/- (Previous Year Rs. 4,71,79,657/-) appearing in Trade receivables (Refer Note No. 16)		
28.03 COMMITMENTS		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs. 5,10,174/- (Previous Year Rs. 1,53,45,153/-)		
29 OTHER NOTES TO ACCOUNTS		
29.01 Commission Income includes shipments made earlier years but advice received in Current Year Rs. 26,31,627/- (Previous year 27,70,186/-).		
29.02 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)-		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rs.)

PARTICULARS	2016-17			2015-16		
	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASH (UNFUNDED)	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASH (UNFUNDED)
A RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION						
DEFINED BENEFIT OBLIGATION AS ON 01-04-2016	9,904,809	8,563,197	5,340,535	9,468,684	7,546,171	5,290,524
EMPLOYER SERVICE COST	1,031,672	826,987	1,308,459	342,040	902,556	1,069,203
INTEREST COST	789,906	684,568	427,243	757,494	567,168	423,242
ACTUARIAL (GAINS) / LOSSES	(148,726)	873,716	234,304	1,285,670	147,784	(1,323,310)
BENEFITS PAID	(143,619)	(514,494)	(456,479)	(1,949,079)	(600,482)	(119,124)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2017	11,434,042	10,433,974	6,854,062	9,904,809	8,563,197	5,340,535
B RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS						
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE YEAR	10,752,551	-	-	10,615,786	-	-
EXPECTED RETURN ON PLANNED ASSETS	873,025	-	-	831,415	-	-
CONTRIBUTION	1,831,863	-	-	1,254,429	-	-
BENEFITS PAID	(143,619)	-	-	(1,949,079)	-	-
ACTUARIAL (GAINS) / LOSSES	-	-	-	-	-	-
FAIR VALUE OF PLAN ASSETS AT YEAR END	13,313,820	-	-	10,752,552	-	-
C RECONCILIATION OF FAIR VALUE OF ASSETS & OBLIGATION						
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2017	13,313,820	-	-	10,752,552	-	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2017	11,434,042	10,433,974	6,854,062	9,904,809	8,563,197	5,340,535
AMOUNT RECOGNISED IN BALANCE SHEET	(1,879,778)	10,433,974	6,854,062	(847,743)	8,563,197	5,340,535
D EXPENSES RECOGNISED DURING THE YEAR 2016-17						
CURRENT SERVICE COST	1,031,672	826,987	1,308,459	342,040	902,556	1,069,203
INTEREST COST	789,906	684,568	427,243	757,494	567,168	423,242
EXPECTED RETURN ON PLANNED ASSETS	(873,025)	-	-	(831,415)	-	-
ACTUARIAL (GAINS) / LOSSES	(148,726)	873,716	234,304	1,285,670	147,784	(1,323,310)
TOTAL	799,827	2,385,271	1,970,006	1,553,789	1,617,508	169,135
E ACTUARIAL ASSUMPTIONS						
MORTALITY TABLE (L.I.C. 1994-96)						
DISCOUNT RATE (PER ANNUM)	8%	8%	7%	8%	8%	8%
RATE OF ESCALATION IN SALARY	6%	6%	6%	6%	6%	6%

29.03 Related Party Disclosure (To the extent Identified by the company)

Name & Relationship of the Related Parties:

- I. Enterprises where control exists:
 - a) Vardhan Finvest Limited - Holding Company
 - b) KPL Logistics Limited - Subsidiary Company
- II. Enterprises over which promoters directly or indirectly have significant influence :
 - a) Kanoria Chemicals & Industries Limited
 - b) Suprawin Technologies Limited
 - c) Breaking Wave Software Pvt Limited
 - d) Kirtivardhan Finvest Services Limited
 - e) Kanoria Africa Textiles PLC, Ethiopia
 - f) Apag Elektronik AG, Switzerland
 - g) Apag Elektronik S.R.O.
 - h) Intrust Global eServices Pvt. Services Limited
 - i) Ludlow Jute & Specialities Limited
 - j) Sambhava Foundation - Charitable Trust
- III. Key Managerial Personnel:
 - Mr. Surinder Kumar Kak, Managing Director
- IV. Relative of Directors
 - Mrs. Madhuvanti Kanoria

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1. Managerial Remuneration						
Mr. Surinder Kumar Kak	-	-	-	-	7,213,009	7,623,821
2. Dividend paid						
Vardhan Finvest Limited	-	113,088,000	-	-	-	-
3. Interest paid						
Kirtivardhan Finvest Services Limited	-	-	1,353,425	-	-	-
4. Loan Received						
Kirtivardhan Finvest Services Limited	-	-	50,000,000	-	-	-
5. Loan repaid						
Kirtivardhan Finvest Services Limited	-	-	50,000,000	-	-	-
6. Commission Income						
Kanoria Chemicals & Industries Limited	-	-	2,406,192	2,317,799	-	-
Apag Elektronik S.R.O.	-	-	173,751	-	-	-
7. Rent Received						
Suprawin Technologies Limited	-	-	918,277	-	-	-
Intrust Global eServices Pvt. Limited	-	-	692,083	-	-	-
8. Rent Paid						
Kanoria Chemicals & Industries Limited	-	-	661,920	628,692	-	-
9. (a) Sale of Goods						
Kanoria Africa Textiles PLC, Ethiopia	-	-	85,135,530	4,574,666	-	-
Apag Elektronik S.R.O.	-	-	5,081,324	47,563,726	-	-
(b) Reimbursements						
Apag Elektronik AG, Switzerland	-	-	-	1,318,577	-	-
10. Purchase (Other)						
Ludlow Jute & Specialities Limited	-	-	12,167	-	-	-
11. Website Development Paid						
Breaking Wave Software Pvt Limited	-	-	247,650	173,526	-	-
12. CSR Paid						
Sambhava Foundation	-	-	3,500,000	4,000,000	-	-
13. Retainership Fee Paid						
Mrs. Madhuvanti Kanoria	-	-	-	-	6,030,000	5,002,500
Balance outstanding as on Balance Sheet date						
Receivable - Kanoria Chemicals & Industries Limited	-	-	2,767,121	2,317,799	-	-
-Kanoria Africa Textile PLC	-	-	60,347,490	-	-	-
-APAG Elektronik S.R.O	-	-	199,814	663,184	-	-
-APAG Elektronik A.G.	-	-	-	206,357	-	-
Remuneration payable to Mr. Surinder Kumar Kak	-	-	-	-	-	1,318,767

* Excluding Actuarial Valuation of Gratuity & Leave Encashment

	For the year ended 31.03.2017 (Rs.)	For the year ended 31.03.2016 (Rs.)
29.04 Earning Per Share		
Profit for the year (Rs.)	140,988,361	82,921,436
Weighted average number of Equity Shares	15,160	15,160
Basic & Diluted earning per share of Rs. 1,000/- each	9,300	5,470

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29.05 SEGMENT REPORTING		A) Primary Segment Information (by Business Segment)							(Amount in Rs.)
Business Segment	2016-2017				2015-2016				Total
	Wind Turbine	Other than Wind Turbine	KPL Logistics	Total	Wind Turbine	Other than Wind Turbine	KPL Logistics	Total	
Segment Revenue									
Revenue from operations (net of excise)	47,075,361	3,584,521,207	-	3,631,596,568	9,563,742	2,775,062,453	-	2,784,626,195	
Segment Result	2,807,722	158,025,772	(14,726)	160,818,768	6,121,955	165,420,571	(16,357)	171,526,169	
less : (i) Finance Cost	24,416,316	37,382,312		61,798,628				17,122,298	
(ii) Exceptional items				-				-	
(iii) Other Un-allocable expenditure net off Un-allocable income				(1,439,099)				(3,019,466)	
Profit before Tax				97,612,649				131,303,634	
Tax Expense :									
For earlier years				(7,823,147)				(597,997)	
Current Tax				27,052,038				32,863,035	
MAT credit				(27,048,821)				(25,410,342)	
Deferred Tax				(35,555,782)				41,527,502	
Net Profit :				140,988,361				82,921,436	
Other Information									
Segment Assets	926,132,394	1,212,631,344	57,051	2,138,820,789	280,624,560	997,035,465	38,180	1,277,698,205	
Un-allocable Corporate Assets	-	-	-	146,980,050	-	-	-	79,317,998	
Total Assets :				2,285,800,839				1,357,016,203	
Segment Liabilities	657,883,739	854,944,881	10,350	1,512,838,970	1,602,000	480,183,852	10,350	481,796,202	
Un-allocable Corporate Liabilities	-	-	-	18,246,825	-	-	-	70,065,565	
Total Liabilities :				1,531,085,795				551,861,767	
Segment Capital Employed	-	625,935,118	124,455	626,059,573	-	805,043,646	110,790	805,154,436	
Un-allocable Capital Employed	-	-	-	-	-	-	-	-	
Total Capital Employed :				626,059,573				805,154,436	
Capital Expenditure	692,271,520	138,889,538	-	831,161,058	271,367,988	104,703,654	-	376,071,642	
Un-allocable Capital Expenditure	-	-	-	-	-	-	-	-	
Total Capital Expenditure :				831,161,058				376,071,642	
Depreciation & Amortization	41,075,138	29,405,692	-	70,480,830	2,002,718	24,116,984	-	26,119,702	
Un-allocable Depreciation	-	-	-	-	-	-	-	-	
Total Depreciation & Amortization :				70,480,830				26,119,702	
Other Non-cash expenses (including in Exceptional items)									

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Secondary Segment Information

Not applicable, as 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 Policies

The accounting policies adopted for segment reporting are in line with the accounting policies 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, Solar training, Indenting & Traded Goods : Logistics Business includes all logistics activities.

29.06 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:

	31 st March, 2017 (Rs.)	31 st March, 2016 (Rs.)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11,267,236	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
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	-	-
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.		

29.07 CSR Expenditure

The Company undertook Corporate Social responsibility ('CSR') programme and activities through a Trust registered under the Income Tax Act, 1961 by contributing Rs. 35,00,000/-.

(a) Gross Amount required to be spent by the company during the year	3,484,292	3,745,627
(b) Amount Spent by the Company through this trust :	-	-
Construction/acquisition of any assets		
On purpose other than above (Including Rs. 23,60,269/- unspent in F.Y. 2015-16)	3,242,800	2,614,180
Yet to be Spent	2,601,761	2,360,269

29.08 Company considered in the Consolidated Financial Statements is :

Name of the Company	Country of Incorporation	Holding as on 31-03-2017	Financial Year end on	
KPL LOGISTICS LTD.	INDIA	100%	31-03-2017	

Name of the Entity	Net Asset, i.e., total Asset Minus total Liabilities		Share In Net Profit or Loss	
	% on Consolidated Net Profit	Amount Rs.	% on Consolidated Net Profit	Amount Rs.
KPL LOGISTICS LTD.	0.08	624,455	0.01	13,665

NOTES TO FINANCIAL STATEMENTS

29.09 The Company is eligible for MAT Credit Entitlement amounting to Rs. 3,428/- , Rs. 2,927/- and Rs. 3,217/- relating to assessment year 2014-15, 2016-17 & 2017-18 which shall be available for set off against future tax liability for next nine assessment years. As a prudent measure the company has not accounted for above MAT Credit Entitlement.			
29.10 The details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 as provided in the Table below :-			
	SBN (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on 08.11.2016	194,000	20,558	214,558
(+) Permitted receipts	6,000	703,607	709,607
(-) Permitted payments	-	380,183	380,183
(-) Amount deposited in Banks	200,000	-	200,000
Closing cash in hand as on 30.12.2016	-	343,982	343,982
29.11 Proposed Dividend			
The Board of Directors of the company has recommended a dividend of Rs. 4,000/- per equity share of Rs.1,000/- each subject to the approval of the shareholders at the ensuing Annual General Meeting.			
29.12 Previous Year figures have been regrouped and rearranged where ever required.			

Signatures to Notes 1 to 29.12
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
M.No. 022973
Place : Noida
Dated : 05.06.2017

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

M.L. Agarwal
Chief Financial Officer