

# KABSONS INDUSTRIES LIMITED

REGD. OFF. : "Madhuw Vihar" Second Floor, Plot No.17, H.No. 8-2-293/82/C/17, Road No. 7,  
Jubilee Hills, Hyderabad – 500033, Telangana, INDIA  
Tel: 040-23554970, E-mail: operationslpg@gmail.com  
Website: [www.kabsons.co.in](http://www.kabsons.co.in), Grievance redressal division Email: [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com)  
CIN No: L23209TG1993PLC014458



September 02, 2024

To  
The General Manager  
Department of Corporate Services,  
BSE Limited  
Floor 25, PJ Towers, Dalal Street,  
Mumbai – 400001.

Sub: Notice of 32<sup>nd</sup> AGM and Annual Report 2023-24  
Ref: Scrip Code: 524675

Dear Sir/ Madam,

In compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the 32<sup>nd</sup> Annual Report of Kabsons Industries Limited for the financial year 2023-2024 comprising the Notice convening the 32<sup>nd</sup> AGM of shareholders, Audited Balance Sheet as at 31st March, 2024, Statement of Profit and Loss for the year ended on that date, Statement of Changes in Equity for the year and Cash Flow Statement together with Notes to Financial Statements for the year ended 31<sup>st</sup> March 2024 and the reports of the Board of Directors and Auditors thereon. The 32<sup>nd</sup> AGM will be held on Tuesday, September 24, 2024 at 3.30 p.m. IST through video conference and other audio visual means (VC).

The Annual Report 2024 includes the Notice of the AGM is available at <https://www.kabsons.co.in/wp-content/uploads/2024/09/32nd-Annual-Report-2023-24.pdf>.

This is for your information and record.

Yours faithfully  
For Kabsons Industries Limited

Madhu Thokala  
Company Secretary & Compliance Officer  
M. No. A54822

# 32<sup>nd</sup> Annual Report 2023-24



**Kabsons Industries Limited**

## KABSONS INDUSTRIES LIMITED



### KABSONS INDUSTRIES LIMITED 32<sup>nd</sup> Annual Report 2023-2024

#### Board of Directors

Sri. Rajiv Kabra : Chairman and Managing Director [ DIN:00038605]  
Sri. Sumit Jaiswal : Independent Director [DIN:10255478] w.e.f 12-08-2023  
Smt. Mangal Rathi : Independent Director [DIN:06966755]  
Ms. Riha Kabra : Non Executive Director [DIN: 08825577]

Sri. Krishna Murthy Motamarri : Chief Financial Officer  
Sri. Nagaraju Musinam : Company Secretary and Compliance Officer upto 30.08.2023  
Sri. Madhu Thokala : Company Secretary and Compliance Officer from 14.11.2023

#### Committees of the Board

##### Audit Committee

Sri. Sumit Jaiswal : Chairman Stock Exchanges : BSE Limited  
Sri. Rajiv Kabra : Member Where company's  
Smt. Mangal Rathi : Member Securities are Listed  
ISIN : INE645C01010

#### Nomination & Remuneration Committee

Sri. Sumit Jaiswal : Chairman  
Smt. Mangal Rathi : Member Registered Office : Kabsons Industries Limited  
Ms. Riha Kabra : Member [CIN:L23209TG1993PLC014458]  
Plot No.17, H. No. 8-2-293/82/C/17,

#### Stakeholders Relationship Committee

Sri. Sumit Jaiswal : Chairman Madhuw Vihar, 2nd Floor, Jubilee  
Sri. Rajiv Kabra : Member Hills, Road No.7, Hyderabad 500033,  
Smt. Mangal Rathi : Member Email: operationslpg@gmail.com  
www.kabsonsindustrieslimited.com  
Phone No: +91 40- 23554970

Bankers : HDFC Bank Limited  
State Bank of India Factory : Plot No.B-3, Phase 1, MIDC,  
Waluj, Aurangabad - 431 136.  
Maharashtra

Auditors : M/s. K S Rao & Associates  
Chartered Accountants  
Flat No.602,  
Golden Green Appartments Registrars &Share : M/S.XL SOFTECH SYSTEMS LTD  
Erramanzil Colony, Somajiguda, Transfer Agents #3, Sagar Society,  
Hyderabad - 500 082. Road No.2, Banjara Hills,  
Hyderabad - 500 073.

Secretarial : B S S & Associates  
Auditors : Company Secretaries  
6-3-626, Parameswara Appts.  
5<sup>th</sup> Floor, 5A,  
Anand Nagar, Khairatabad,  
Hyderabad 500004.

## KABSONS INDUSTRIES LIMITED



### NOTICE OF 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting (AGM) of Kabsons Industries Limited will be held on **Tuesday, September 24, 2024 at 3.30 p.m.** through Video Conference (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business. The Venue of the meeting shall be deemed to be the Registered Office of the Company situated at Madhuw Vihar, Second Floor, Plot No.17, H.No.8-2-293/82/C/17, Road No.7, Jubilee Hills, Hyderabad, Telangana – 500033:

#### Ordinary Business:

##### **Item No.1 – Adoption of Financial Statements of the Company**

To receive, consider and adopt the Audited Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2024 together with the Reports of the Directors and Auditors thereon.

##### **Item No.2 – Re-appointment of Ms. Riha Kabra, as a director liable to retire by rotation**

To re-appoint Ms. Riha Kabra (DIN: 08825577), who retires by rotation as a director and, being eligible, offers herself for re-appointment.

#### Special Business:

##### **Item No. 3 – Appointment of Mr. Deepak Khosla as an Independent Director of the company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17(1C), 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and the Articles of Association of the Company, Mr. Deepak Khosla (DIN:10738386), who was appointed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director to act as an Independent Director of the Company with effect from August 21, 2024, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (05) consecutive years with effect from August 21, 2024 till August 20 2029, and shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this resolution.”

##### **Item No.4. To approve requests received for reclassification from ‘Promoter & Promoter Group’ category to ‘Public’ category**

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

“**RESOLVED THAT** pursuant to Regulation 31A and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws and subject to necessary approvals from the BSE Limited and other regulatory/ statutory authorities as may be required, approval of the Members of the Company be and is hereby accorded for reclassification of the following persons from the ‘Promoter and Promoter Group’ category to the ‘Public’ category shareholder(s):

Sl No.	Name of shareholder		No of shares held in the company	Percentage of shareholding in the Company
1	Satish Kabra		81,000	0.46
2	Ruchira Kabra	<i>W/o. Satish Kabra</i>	500	0
3	Kabsons Gas Equipment Pvt Ltd	<i>Controlled by</i>	7,38,452	4.23
4	Prakun Equipments Private Limited	<i>Sri. Satish Kabra and/or his</i>	20,000	0.11
5	Gasolec Appliances Private Limited	<i>immediate relative.</i>	16,600	0.1
		<b>TOTAL</b>	<b>8,56,552</b>	<b>4.90</b>

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**RESOLVED FURTHER THAT** upon receipt of the necessary approval(s) from the Stock Exchange for reclassification of the above persons, the Company shall effect such reclassification in the statement of shareholding pattern from the immediate succeeding quarter under Regulation 31 of the SEBI Listing Regulations, and shall ensure necessary compliance under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other laws, as may be applicable;

**RESOLVED FURTHER THAT** any one of the Directors and/or the Chief Financial Officer or and/or the Company Secretary of the Company, be and are hereby severally authorized to sign all such documents as may be required to submit any application(s) with the Stock Exchange, SEBI or any other statutory/regulatory authorities in relation to reclassification and do all such acts, deeds, matters and things as may be considered necessary, expedient or desirable to give effect to this resolution."

### **Item No.5. Contribution of funds to Charitable or other purpose not directly related to the business of the company in excess of the Limit laid down in section 181 of the Companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of section 181 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 2013 & rules made thereunder (the Act), consent of the Company be and is hereby accorded to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, institution, trust, organization, not directly relating to the business of the Company or the welfare of its employee, for taking up of any programme, activities of social, cultural, educational, sports, economic, rural development of people at large and/ or incur any expenditure on their behalf, upto an amount not exceeding to Rs. 20,00,000/- (Rupees Twenty Lakhs only) during the financial year 2024-2025, notwithstanding the fact that said amount may exceed 5% of the Company's average net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three years immediately preceding the current Financial Year.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this resolution."

### **Item No. 6 - Re-appointment of Sri. Rajiv Kabra, as a Managing Director of the Company.**

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

**"RESOLVED THAT** Pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the consent of the company be and is hereby accorded for re-appointment of Sri. Rajiv Kabra (DIN:00038605), as a Managing Director of the company for a further period of five years with effect from 1st August, 2024 without any remuneration as earlier with the following prerequisites:

1. Provision for use of chauffeur Driven Car.
2. Company shall provide Telephone or reimburse telephone expenses at Residence for local and long distance official calls.

**"FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

By Order of the Board of Directors of Kabsons  
Industries Limited

S/d-  
Madhu Thokala  
Company Secretary  
M No. A54822

Place: Hyderabad  
Date: 21.08.2024

Registered Office: H.No.8-2-293/82/C/17, Plot No 17, 2nd Floor, Madhu Vihar, Jubilee Hills,  
Road No.7, Hyderabad - 500033, Telangana. email: operationslpg@gmail.com

### **Notes:**

1. The Explanatory Statement pursuant to the Section 102 of the Companies Act, 2013, in respect of the Special Business as set out under Item No.3 to 5 of the above notice is annexed hereto.
2. This Annual General Meeting is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular number 14/2020 dt. 08.04.2020, 17/2020 dt. 13.04.2020, 20/2020 dt. 05.05.2020, 28/2020 dt. 17.8.2020, 02/2021 dt. 13.01.2021, 19/2021 dt. 08.12.2021, 21/2021 dt. 14.12.2021, 02/2022 dt. 05.05.2022, 10/2022 dated 28.12.2022 and 09/2023 dated 25.09.2023 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 05.01.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 which allows the companies to hold the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

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5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to [operationslpg@gmail.com](mailto:operationslpg@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
6. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [operationslpg@gmail.com](mailto:operationslpg@gmail.com).
7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 32nd AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
8. The relevant details required to be given under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/ re-appointment at this AGM is annexed hereto.
9. In accordance with the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 17, 2024, may cast their votes electronically. The e-voting period commences on Saturday, September 21, 2024 (9:00 a.m. IST) and ends on Monday, September 23, 2024 (5:00 p.m. IST). The e-voting module will be disabled by CDSL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 17, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
12. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Kindly refer below for instruction for e-voting during the AGM.
13. The Register of Members and Transfer Book of the Company will be closed from 18th September 2024 to 24th September 2024 (both days inclusive).
14. In compliance with the Circulars, the Annual Report 2023-2024, the Notice of the 32nd AGM and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.kabsons.co.in](http://www.kabsons.co.in). The Notice can also be accessed from the websites of the

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Stock Exchanges i.e. BSE Limited at The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
16. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
17. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. XL Softech Systems Limited / Investor Service Department of the Company immediately.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 01st April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/ P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, XL Softech Systems Limited for assistance in this regard.
19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
20. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
21. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e- AGM.
22. The Board of Directors has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the vote shall be final.
23. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., September 24<sup>th</sup> 2024.
24. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.kabsons.co.in](http://www.kabsons.co.in). The results shall simultaneously be communicated to BSE Limited.



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### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Saturday, 21st day of September, 2024 at 9.00 a.m. IST and ends on Monday, 23rd day of September, 2024 at 5.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, the 17th day of September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https:// web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com">https://evoting.cdslindia.com</a> Evoting/EvotingLogin. The system will</li></ol>



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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Shareholders holding securities in demat mode with NSDL Depository	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.

## KABSONS INDUSTRIES LIMITED



- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li></ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

### **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

## KABSONS INDUSTRIES LIMITED



- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [operationslpg@gmail.com](mailto:operationslpg@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **TWO days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [operationslpg@gmail.com](mailto:operationslpg@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **TWO days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [operationslpg@gmail.com](mailto:operationslpg@gmail.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [operationslpg@gmail.com](mailto:operationslpg@gmail.com)/[xlfield@rediffmail.com](mailto:xlfield@rediffmail.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact attoll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor,

## KABSONS INDUSTRIES LIMITED



MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013  
or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

### APPEAL TO MEMBERS

The Company would like to appeal and encourage its members to hold their shares in dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/ Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat mode. The detailed procedure of Dematerialization of shares is also given on the website of the Company under Investor Relations Section. The members may also get in touch with M/S. XL Softech Systems Ltd at xlfield@rediffmail.com, our Registrar and Share transfer Agent. The Company also appeals and requests the members to opt for Electronic Clearing System (ECS) facility for receiving of Dividends.

By Order of the Board of Directors of  
Kabsons Industries Limited  
S/d-

Madhu Thokala  
Company Secretary  
M No. A54822

Place: Hyderabad  
Date: 21.08.2024

### Registered Office:

H.No.8-2-293/82/C/17, Plot No 17, 2nd Floor, Madhuw Vihar, Jubilee Hills, Road No.7,  
Hyderabad - 500033, Telangana. email: operationslpg@gmail.com

### Explanatory Statement

#### Item No. 3 – Appointment of Mr.Deepak Khosla., as an Independent Director

Pursuant to Section 161 of the Companies Act, 2013, the Board, on August 21, appointed Mr.Deepak Khosla, as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (five) years with effect from August 21, 2024 to August 20, 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received the following from Mr.Deepak Khosla. :

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”);
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
- (iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the LODR Regulations;
- (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- (v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company;
- (vi) A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

The Nomination and Remuneration Committee (NRC) had previously finalized the desired attributes for the selection of the independent director(s). Based on those attributes, the NRC recommended the candidature of Mr.Deepak Khosla, as an Independent Director. In the opinion of the Board, he fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Mr.Deepak Khosla, background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

In compliance with Section 149 read with Schedule IV to the Act and Regulation 25 of the LODR Regulations, the approval of the Members is sought for the appointment of Mr.Deepak Khosla, as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Mr.Deepak Khosla., to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 3.

## KABSONS INDUSTRIES LIMITED



The Board of Directors recommends that the Members of the Company approve the Special Resolution set out in Item No. 3 of the Notice.

### Item No. 4:

The Company had received separate request letters on August 13, 2024 from the following persons belonging to the Promoter and Promoter Group of the Company for reclassification from the 'Promoter and Promoter Group' category to 'Public' category shareholder in accordance with Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations'):

Sl No.	Name of shareholder		No of shares held in the company	Percentage of shareholding in the Company
1	Satish Kabra		81,000	0.46
2	Ruchira Kabra	<i>W/o. Satish Kabra</i>	500	0
3	Kabsons Gas Equipment Pvt Ltd	<i>(Controlled by Sri.</i>	7,38,452	4.23
4	Prakun Equipments Private Limited	<i>Satish Kabra and/or</i>	20,000	0.11
5	Gasolec Appliances Private Limited	<i>his immediate relative</i>	16,600	0.1
		<b>Total</b>	8,56,552	4.90

Mr. Satish Kabra was included in the 'Promoter and Promoter Group' merely because of his relation ("brother") as per the definition of Promoter Group as provided in Regulation 2(1) (pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, and his wife and companies which were controlled by him do not fall within the ambit of said definition. Mr. Sathish Kabra is financially independent and take independent investment decisions, without consulting other Members of the Promoter/Promoter Group. They are in no way controlling or participating in any of the business activities carried out by the Company. Mr. Sathish Kabra, his wife and three companies have in their respective request letters informed the Company that they are not involved in the operations of the Company in any manner whatsoever and neither exercise any control over the Company, directly or indirectly, nor do they have any influence over the Board of Directors or hold any Key Managerial Personnel position in the Company.

Mr. Satish Kabra, Mrs. Ruchira Kabra, Kabsons Gas Equipment Pvt Ltd, Prakun Equipments Private Limited and Gasolec Appliances Private Limited, in their respective request letters, have also separately confirmed that they each one of them along with persons related to them:

- does not hold more than 10% of the voting rights in the Company;
- does not exercise control over the affairs of the Company directly or indirectly;
- does not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- is not on the Board of Directors of the Company and are not represented on the Board (including not having a nominee director) of the Company;
- is not acting as Key Managerial Personnel in the Company;
- is not 'wilful defaulter' as per the Reserve Bank of India Guidelines; and
- is not fugitive economic offenders.

In view of the above, and on the basis of the above rationale and the confirmations received from each of the persons mentioned above, the Board of Directors of the Company, at its meeting held on August 13, 2024, analyzed the requests made by Mr. Satish Kabra, Mrs. Ruchira Kabra, Kabsons Gas Equipment Pvt Ltd, Prakun Equipments Private Limited and Gasolec Appliances Private Limited and in compliance with Regulation 31A of the SEBI Listing Regulations, approved the request for reclassification, inter alia subject to approval by the members, the Stock Exchange where the shares of the Company are listed i.e. BSE Limited and/or such other approval, if any as may be necessary in this regard. As required under Regulation 31A(8) of the SEBI Listing Regulations, the Company had intimated the Stock Exchange on August 13, 2024 regarding receipt of reclassification requests from Mr. Satish Kabra, Mrs. Ruchira Kabra, Kabsons Gas Equipment Pvt Ltd, Prakun Equipments Private Limited and Gasolec Appliances Private Limited.

In accordance with Regulation 31A of the SEBI Listing Regulations, the reclassification of status of a shareholder from the 'Promoter and Promoter Group' category to the 'Public' category, inter alia requires approval of the Members of the Company. Therefore, the aforesaid requests are being placed before the Members of the Company for approval by way of an Ordinary Resolution.

## KABSONS INDUSTRIES LIMITED



The Members may note that Company is in compliance with the requirement for minimum public shareholding as required under Regulation 38 of the SEBI Listing Regulations. The Company neither has trading in its shares suspended by the Stock Exchange nor any outstanding dues to the SEBI, Stock Exchange and the Depositories as mentioned in Regulation 31A(3)(c) of the SEBI Listing Regulations. The Promoter(s) seeking reclassification and persons related to them shall not vote to approve such reclassification request.

None of the Directors or Key Managerial Personnel of the Company (except Mr. Rajiv Kabra and Ms. Riha Kabra) or their relatives, are in anyway concerned or interested in the proposed resolution as set out in Item No. 4 of the Notice.

The Board of Directors recommends that the Members of the Company approve the Ordinary Resolution set out in Item No. 4 of the Notice.

### Item No.5

As per section 181 of the Companies Act, 2013, approvals of the members is necessary for contribution to any Charitable Trust, NGO and other funds not directly relating to the business of the company or the welfare of its employees any amount the aggregate of which will, in any financial year exceed 5% of the Company average net profit during the 3 financial year immediately preceding.

The Company has been receiving a number of application and request for contribution to charitable, NGO and other funds for various noble causes. As a gesture of munificence, the Company has to make donations and keep its commitment towards the society. Hence your Board seeks the approvals for donation up-to Rs.20,00,000/- (Rupees Twenty Lakhs only) during the financial year 2024-2025, since the amount seeks to donate is higher amount than the limit as stipulated vide the provision of section 181 of the Companies Act, 2013 and accordingly the resolution is proposed for the approval.

None of the Directors and KMP, except Sri. Rajiv Kabra, Ms. Riha Kabra and Mr. Krishna Murthy M, CFO and their relatives are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends that the Members of the Company approve the Ordinary Resolution set out in Item No. 4 of the Notice.

### Item No.6

Sri Rajiv Kabra has been associated with the Company since its inception. The Board, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members, has approved the re-appointment of Sri Rajiv Kabra as Managing director for a further period of five years with effect from August 1, 2024, until July 31, 2029. This re-appointment will be on a continuation basis without any interruption or break in service, and will be subject to various terms and conditions.

The Board recommends the passing of the Resolution at Item No. 6 as a Special Resolution.

Except Mr. Rajiv Kabra and Ms. Riha Kabra, none of the Directors or Key Managerial Personnels or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-  
Madhu Thokala  
Company Secretary  
M No. A54822

Place: Hyderabad  
Date: 21.08.2024

Additional information on directors recommended for appointment / reappointment as required under Regulation 36 of the LODR Regulations and applicable Secretarial Standards

Name of the Director	RihaKabra	Deepak Khosla	Rajiv Kabra
DIN	08825577	10738386	00038605
Date of Birth	24/12/1997	10/10/1965	01/01/1966
Age	26 Years	59 Years	58 Years
Date of First Appointment on the Board	27.08.2020	21.08.2024	01.08.1996
Terms and conditions of appointment or re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Ms. RihaKabra who was appointed as Non-Executive Director at the AGM held on 30.09.2020, is liable to retire by rotation	In terms of section 152(5) of the Companies Act, 2013, Mr. Deepak Khosla, as an Additional Director in the capacity of independent Director of the company for a term of 5 (five) years	Re-appointment as Managing Director of the company for a further period of 5 (five) years w.e.f. 1st August of 2024 without any remuneration

**KABSONS INDUSTRIES LIMITED**

		with effect from August 21, 2024 to August 20, 2029 (both days inclusive) subject to the approval of the shareholders through a special resolution.	
Remuneration last drawn Brief Profile:	Rs.5,000/- as sitting fees for attending meetings of the Board and Committees thereof	NIL	NIL
Qualification	She is graduate in sociology with Psychology (BSE Hons) from Surrey University (UK).	He is a B.Com graduate and a semi-qualified Chartered Accountant with over 20 years of experience in finance.	Post Graduate in Business Administration and associated with your company since inception
Expertise in specific functional areas	BSc Hons in Sociology with Psychology	B.Com. CA Inter.	M.B.A
Inter-se relationship with other Directors of the Company	Daughter of Rajiv Kabra Managing Director	NA	Father of Ms. Riha Kabra, Director
Number of Board Meetings attended	4	NIL	4
No of Shares held	NIL	NIL	91,19,500
Directorships in other Listed Companies	NIL	NIL	NIL
Membership/Chairmanship of Committees of other Board	NIL	NIL	1

By Order of the Board of Directors of  
Kabsons Industries Limited

Place: Hyderabad  
Date: 21.08.2024

Sd/-  
Madhu Thokala  
Company Secretary  
M No. A54822



## KABSONS INDUSTRIES LIMITED



### BOARD'S REPORT

To  
The Members of **KABSONS INDUSTRIES LIMITED**  
Hyderabad.

Your directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2024.

#### 1. Financial Summary: (Rs. in thousands except EPS, unless otherwise stated)

	Financial Year 2023-2024	Financial Year 2022-2023
Revenue from operations	2,72,188.36	1,69,955.88
Other Income	12,645.55	6,794.39
Total Revenue	2,84,833.91	1,76,750.27
Total Expenses	2,51,748.24	1,62,741.21
Profit before Finance Cost, Depreciation & exceptional items	33,085.67	14,009.06
Finance Cost	608.80	802.77
Depreciation	7,998.44	5,293.99
Exceptional items (Income)	1,584.03	0.01
Profit/ (Loss) before Tax	26,062.46	7,912.31
Tax Expenses (Earlier year Tax Paid)	5.43	15.49
Profit after Tax	26,057.03	7,896.82
Basic & Diluted Earnings per share of Rs.10/- each	1.49	0.45

#### 2. The state of the company's affairs and Business Performance:

During the year under review, the Company generated a profit of Rs. 33,085.67 thousand before finance costs, depreciation, and exceptional items, compared to a profit of Rs. 14,009.06 thousand in the previous year. This profit includes lease income, which is a major source of revenue for the Company. Your Directors are actively seeking opportunities to improve performance and increase revenue in the coming year.

The Company has been focusing on lease income. In response to recent demand, a new factory shed has been offered for lease starting from April 2023. Additionally, the Company began bottling operations for another party at our Ranchi bottling plant starting in May 2023.

The Company acquired some assets, including plant and machinery and other equipment, from EIIL (which was operating our bottling plant at Rohtak on lease) from April 1, 2023. We are planning to launch a new project focused on supplying aerosol-grade LPG to various industrial customers. Additionally, the Company has completed the necessary repairs and maintenance at this plant and is now awaiting the start of operations.

#### 3. Dividend

Your directors have not recommended any dividend on Equity Shares for the year under review.

#### 4. Transfers to Reserves

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

#### 5. Share Capital:

##### (a) Authorized Share Capital

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2024 was Rs.18,00,00,000/-, comprising of 1,80,00,000 equity shares of Rs.10/- each.

##### (b) Paid-up Share Capital

During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2024 was Rs.17,46,30,000/-, comprising of 1,74,63,000 equity shares of Rs.10/-each.

##### (c) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

##### (d) Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

## KABSONS INDUSTRIES LIMITED



### (e) Bonus Shares

The Company has not issued any bonus shares during the year under review.

### (f) Employees Stock Option

The Company has not provided any Stock Option Scheme to the employees.

### 6. Deposits

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

### 7. Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report

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

### 8. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company

### 9. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;

During the year under review, no companies ceased to be its subsidiaries, joint ventures, or associate companies

### 10. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future.

There is no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

### 11. Related party Transactions:

Related Party Transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseeable and repetitive nature. The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure - I** to this Report.

The details of the Related Party Transactions are furnished in Note 34.3.5 of the Notes on the Financial Statements attached to this Report. All the related party transactions have been on an arm's length basis. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules thereunder and the SEBI Listing Regulations. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [https://www.kabsons.co.indisclosures\\_sebi-lodr/#1663763229036-eece0b-f293](https://www.kabsons.co.indisclosures_sebi-lodr/#1663763229036-eece0b-f293).

### 12. Particulars of Loans, Guarantees or Investments

Your Company has not given any Loans / Guarantees and not made any Investments during the FY 2023-24, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

### 13. Number of Meetings of the Board

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1. Details of these meetings of the Board as well as its committees have been given in the Corporate Governance Report, which forms parts of the Annual Report.

#### Sub Committees of the Board

Due to change in the composition of the Board of Directors of the Company, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and Risk Management Committee were reconstituted. The composition and other details of these committees have been given in the report on the Corporate Governance which forms part of the Annual Report.

### 14. Directors and Key Managerial Personnel

During the year under review, the following were the 'Key Managerial Personnel' of the Company:

Sri. Rajiv Kabra – Managing Director

Sri. Krishna Murthy Motamarri - Chief Financial Officer; and

## KABSONS INDUSTRIES LIMITED



Sri.Nagaraju Musinam, Company Secretary and Compliance Officer was resigned on 30.08.2023.  
Sri. Madhu Thokala – Company Secretary and Compliance Officer was appointed on 14.11.2023.  
The Company is well supported by the knowledge and experience of its Directors and Executives. In terms of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Riha Kabra, Non Executive Director of the Company is liable to retire by rotation and being eligible, has offered herself for re appointment.

Mr. Deepak Khosla was appointed as an additional independent director for five years from 21.08.2024 to 20.08.2029 subject to approval of shareholders.

Shri. Sumit Agarwal was appointed as an Independent Director for 5 years with effect from 12.08.2023 and was regularized in the 31<sup>st</sup> AGM held on 27.09.2023.

Shri. Venkata Subba Rao Pinapati was resigned with effect from 13.08.2023.

In the opinion of the Board, the independent director appointed during the year possess requisite integrity, expertise, experience and proficiency.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under section 164 of the Companies, Act 2013.

### **15. Declaration by Independent Directors**

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

### **16. Familiarization programme for Independent Directors**

The Company proactively keeps its directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

### **17. Independent Directors' Meeting**

The Independent Directors met on 13.02.2024, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Managing Director and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **18. Board Evaluation:**

The Board adopted a formal mechanism for evaluating its performance as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

### **19. Secretarial Standards**

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

### **20. Policy on Directors' Appointment and Remuneration and Other Details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 have been disclosed in the corporate governance report. Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

### **21. Statutory Auditors**

M/s. K S Rao & Co., Chartered Accountants, (Firm Registration No.003109S), was appointed as the statutory auditors of the Company, to hold office for the second term of five consecutive years from the conclusion of the 30<sup>th</sup> AGM of the Company held on September 23, 2022, till the conclusion of the 35<sup>th</sup> AGM to be held in 2027, as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

#### **Qualification by Statutory Auditor**

Information & Explanation in respect of Qualification / Reservation or Adverse remarks contained in Independent Auditors Report under Paras: Basis for Qualified opinion, Emphasis of Matter and Other Matters:

## KABSONS INDUSTRIES LIMITED



- 1 The company has not adopted and complied with requirements of IND AS 19 'Employee Benefits' in respect of the gratuity liability which constitute a departure from Indian Accounting Standards.
- 2 It is stated that interest on dealership and distributorship is not provided.  
**Management View:** 1) In view of very limited number of employees currently working with the Company, compliance with AS-19 Employee Benefits regarding gratuity has not been feasible. However, a provision for gratuity as required under Payment of Gratuity Act has been made.  
2) The Company has been putting efforts to settle the outstanding deposits due to dealers and distributors, but no proper response is received. In view of this, the company decided not to provide interest against these deposits.

### 22. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. B S S & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2023-2024. The Secretarial Audit Report is annexed herewith as **Annexure - II**.

#### Qualification by Secretarial Auditor

The Secretarial Auditor's Report does not contain any qualifications, reservation or adverse remarks during the year review.

### 23. Internal Auditors

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board has appointed Shri. M Krishna Murthy, CFO of the Company as Internal Auditors of the Company to carry out internal auditing of books of accounts periodically.

### 24. Cost Records and Audit

The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act, for any of the services rendered by the Company.

### 25. Vigil Mechanism / Whistle Blower Policy

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, a Vigil Mechanism / Whistle Blower Policy for directors and employees to report genuine concerns has been established. The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company at [#1663763229036-eece0b-f293](https://www.kabsons.co.in/disclosures-sebi-lodr).

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy also provided adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year no director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received.

### 26. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI Listing Regulations, is annexed herewith as Annexure III which forms part of this report.

### 27. Risk Management

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

### 28. Corporate Social Responsibility (CSR) Initiatives:

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie.

- (a) networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs. 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

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### 29. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return in eform MGT 7 is placed at the company website at <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663763349182-b06c706ad5ad>.

### 30. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors states that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. They have 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 for that period;
- c. They have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 31. Information on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and outgo

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014, these particulars are not relevant to the company's operations and hence not furnished the same.

### 32. Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has a policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 24<sup>th</sup> April, 2013.

There was no case of sexual harassment reported during the year under review.

### 33. Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as *Annexure – IV*.

### 34. Corporate Governance

The Company is committed to good corporate governance in line with the SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the SEBI (LODR) Regulations, 2015 with BSE. A certificate of compliance from B S S & Associates, Company Secretaries and the report on Corporate Governance form part of this Directors' Report as *Annexure – V*.

### 35. Details in respect of frauds reported by Auditors under Section 143 (12) other than those which are reportable to the Central Government.

There were no frauds reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there under.

### 36. Details of application made or any proceeding pending under the Insolvency and bankruptcy code, 2016 during the year

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016, during the year under report.

### 37. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking Loan from the banks or financial institutions along with the reasons thereof

## KABSONS INDUSTRIES LIMITED



The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

### 38. Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure'). The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company, which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

### 39. Awards and recognition

The Company has not received any award during the Financial Year.

### 40. Human resource

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind your Company's vision. Your Company appreciates the spirit of its dedicated employees.

#### Acknowledgments

The Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, franchisees, bankers, Department of Explosives and their Officials, Central Excise, Pollution Control Boards and Commercial Tax Departments of respective States, host of other State and Central Government Departments, Security Exchange Board of India and Stock Exchanges at Mumbai, Ahmedabad and Kolkata and others for their continued support to the Company's growth. The Directors also wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company.

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-

Rajiv Kabra  
Chairman & Managing Director  
DIN:00038605

Place: Hyderabad  
Date : 13.08.2024

### Annexure to Directors' Report

#### Annexure - I

#### Disclosure of Particulars of Contracts / Arrangements entered into by the Company

#### Form No. AOC-2

*(Pursuant to section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

1. There are no contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
2. There are no material contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive directors vis-a-vis the Company.

For and on behalf of the Board of Directors  
Kabsons Industries Limited

Sd/-  
Rajiv Kabra  
Managing Director  
DIN:00038605

Place: Hyderabad  
Date : 13.08.2024

## KABSONS INDUSTRIES LIMITED



### Annexure -II Secretarial Audit Report Form No. MR-3

**For the Financial Year ended 31<sup>st</sup> March, 2024**

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

To,  
The Members,  
**Kabsons Industries Limited,**  
[CIN: L23209TG1993PLC014458]  
Madhuw Vihar, Second Floor,  
Plot No.17 8-2-293/82/C/17,  
Jubilee Hills, Road No.7, Hyderabad,  
Telangana – 500033.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by *M/s. Kabsons Industries Limited* (hereinafter called the company). 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 *M/s. Kabsons Industries Limited'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 March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 March 31, 2024 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the Audit Period;**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable to the Company during the Audit Period;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities during the audit period;**
  - 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 - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;**



## KABSONS INDUSTRIES LIMITED



- 6) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
- (i) The Environmental Protection Act, 1986.
  - (ii) The Competition Act, 2002.
  - (iii) Industrial Laws and Labour Laws.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India; and
  - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws including Industrial Laws, Environmental Laws, Competition Law, Human Resources and Labour laws.

**We further report that**, that the compliance by the Company of applicable 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 audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

**We further report that**, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**, during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

Place: Hyderabad Date: 13.08.2024

For **B S S & Associates**  
Company SecretariesS

Sd/-  
Srikanth  
Partner

ACS: 22119; CP: 7999

UDIN: A022119F000956866

Peer Review Cert No.726/2020

This Report is to be read with our letter of even date which is annexed to the report and forms an integral part of this report.

## KABSONS INDUSTRIES LIMITED



To,  
The Members,  
**Kabsons Industries Limited,**  
[CIN: L23209TG1993PLC014458]  
Madhuw Vihar, Second Floor,  
Plot No.17 8-2-293/82/C/17,  
Jubilee Hills, Road No.7, Hyderabad,  
Telangana – 500033.

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 process and practices, we followed provide a reasonable basis for our opinion.
- 3 We have not verified the correctness and appropriateness of financial records 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 procedure 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 **B S S & Associates**  
Company Secretaries

Sd/-  
S Srikanth  
Partner

Place: Hyderabad  
Date: 13.08.2024

ACS: 22119; CP: 7999  
UDIN: A022119F000956866  
Peer Review Cert No.726/2020

### Secretarial Compliance Report of Kabsons Industries Limited for the year ended March 31, 2024

To,  
The Members,  
**KABSONS INDUSTRIES LIMITED,**  
Madhuw Vihar, Second Floor, Plot No.17 8-2-293/82/C/17,  
Jubilee Hills, Road No 7, Hyderabad, Telangana - 500033

We, B S S & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Kabsons Industries Limited [CIN: L23209TG1993PLC014458] (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this Report, for the financial year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

## KABSONS INDUSTRIES LIMITED



The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time - Not applicable during the Review Period;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
- (d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

and circulars / guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr.	No. Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by the Central Government under section 118(10) of the Companies Act, 2013, and mandatorily applicable.	Yes	Nil
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"><li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li><li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations / circulars / guidelines issued by SEBI</li></ul>	Yes	Nil
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"><li>• The Listed entity is maintaining a functional website</li><li>• Timely dissemination of the documents/ information under a separate section on the website</li><li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) section of the website.</li></ul>	Yes  Yes	Nil  Nil
4.	<u>Disqualification of Director:</u> None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013		

**KABSONS INDUSTRIES LIMITED**


Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA	NA
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	Nil
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	Nil
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	Yes	Nil
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	NA	NA
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	NA	NA

## KABSONS INDUSTRIES LIMITED



Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>			
1.	a. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or b. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or c. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA  NA  NA	Not Applicable during the period under review
<b>Other conditions relating to resignation of statutory auditor</b>			
2.	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:a. In case of any concern with the management of the listed entity material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA  NA  NA	Not Applicable during the period under review
3.	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Not Applicable during the period under review
	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular	NA	Not Applicable during the period under review
	CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.		

*\*No resignation of Statutory Auditor during the Review Period*

## KABSONS INDUSTRIES LIMITED



And based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

For B S S & Associates  
Company Secretaries

Sd/-  
**S. Srikanth**  
Partner

Place: Hyderabad  
Date: 23.05.2024

M. No.: 22119;  
C.P. No.: 7999

UDIN: A022119F000432826  
Peer Review Certificate No.726/2020

### Annexure - III

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### Industry Structure and Developments

The LPG sector is on track to achieve a compound annual growth rate (CAGR) of over 3.5% from 2022 to 2027. This growth trajectory is driven by increased demand across the Domestic, Industrial, Automobile, and Commercial sectors in India. The government's push towards cleaner fuels continues to propel this demand, reinforcing the sector's expansion.

In recent years, the number of LPG Bottling Plants in India has risen significantly, reaching a total of 202 according to the PPAC Report. This increase reflects a steady surge in LPG demand. Notably, India is projected to surpass China and become the world's largest LPG consumer for residential purposes by 2030.

Government initiatives have played a crucial role in this expansion, with LPG coverage in India now approaching 100%, a dramatic increase from 61.9% in April 2016.

##### Opportunities and Threats

**Opportunities:** The Central Government's potential move to allow private companies to sell subsidized LPG could challenge the current monopoly held by state-owned oil marketing companies. A 5-Member Committee was established on May 30, 2019, to review LPG marketing frameworks and assess the need for policy liberalization to boost private sector participation. However, progress on this front has been slow.

## KABSONS INDUSTRIES LIMITED



**Threats:** While the LPG sector faces few immediate threats, the long-term outlook includes competition from Piped Natural Gas (PNG) and Electric Vehicles (EVs). Despite the complexities and significant investments required to advance PNG and EV infrastructure, including lower disposable incomes and geographical challenges, these factors could pose future risks.

### **Risk Management**

Risk management is a core aspect of our business strategy. We identify, evaluate, and control risks through comprehensive mitigation strategies. In a highly competitive market, maintaining service revenue remains a priority.

### **Outlook**

For FY 2023-24, our revenue continues to be bolstered by servicing large private clients and leasing facilities, including the new factory shed in Aurangabad, operational since April 2023. All company plants remain active, either through our operations, third-party bottling, or leasing, with the exception of the Jaipur LPG Bottling Plant. We are focused on enhancing revenue by introducing AEROSOL-grade LPG in 33kg cylinders under our brand "KABSONS" and 17kg cylinders for commercial and industrial use at our Rohtak plant. We anticipate significant growth in LPG demand across residential, auto LPG, commercial, and industrial segments.

### **Internal Financial Control and Its Adequacy**

The Board has established internal financial controls that comply with the Companies Act, 2013 and Stock Exchange Listing Regulations. These controls are designed to ensure efficient business conduct, asset protection, fraud prevention, accurate accounting records, and reliable financial reporting.

### **Financial Performance Discussion**

For FY 2023-24, the company reported a total income of Rs. 284,833.91 thousand, a substantial increase from Rs. 173,329.86 thousand in FY 2022-23. Profit after tax surged to Rs. 26,057.03 thousand, up from Rs. 7,896.82 thousand the previous year. This represents a remarkable 229.97% increase in total revenue and a 77.19% rise in net profit compared to the prior financial year.

### **Human Resources and Industrial Relations**

Our management values employees as vital assets, focusing on their development, motivation, and retention. As of the end of the year, the company employed 22 individuals.

### **Cautionary Statement**

This discussion contains forward-looking statements based on current estimates and expectations. Actual results may vary materially from those expressed or implied due to various factors

### **Annexure - IV**

#### **Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl.No	Name	Designation	Remuneration Paid For the year 2023-2024.	Remuneration Paid For the year 2022-2023. Previous Year	Increase in Remuneration From Remuneratio	Ratio/times for median of Employee
1	M Krishna Murthy	Chief Financial Officer	249.26	243.60	145.62	12.02
2	M Nagaraju Resigned on 30.08.2023	Company Secretary cum Compliance Officer	15.40	3.36	Nil	Nil
3	Madhu Thokala Appointed on 14.11.2023	Company Secretary cum Compliance Officer	15.50	-		

- Number of permanent employees on the roles of the company: 22
- Comparison of remuneration of each Key Managerial Personnel against the performance of the Company: Company is having mainly income from Plant leases. Hence not comparable with the performance of the company.



**KABSONS INDUSTRIES LIMITED**

For and on behalf of the Board of Directors  
Of Kabsons Industries Limited

Place: Hyderabad  
Date: 13.08.2024

Sd/-  
Rajiv Kabra  
Managing Director  
DIN:00038605

**Annexure - V****REPORT ON CORPORATE GOVERNANCE****1. Corporate Governance Philosophy**

The Company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

**2. Board of Directors****(a) Composition and category of directors**

The Board of Directors had an optimum combination of Executive and Non-Executive Directors. As on 31.03.2024, the Board of Directors have four (4) members, of whom one (01) is Managing Director and one (01) is Non-Executive Director and two (2) are Independent Directors one of whom is a Woman Director. Except the Independent Directors and Executive Directors all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. As the Chairperson of the Board of Directors is an Executive Promoter Director, at least half of the Board of Directors of the Company should consist of Independent Directors.

**(b)** The names and categories of the Directors on the Board, attendance at the Board Meetings and Annual General Meeting of the Company and also the number of Directorships and Committee Memberships and Chairmanship held by them during 2023-2024 in other Companies are as under:

Name of the Director	Category	Number of board meetings held during the year 2023-24		Whether attended last AGM held on 27.09.2023	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Rajiv Kabra	Managing Director	4	4	Yes	1	-	-	-
Riha Kabra	Non Executive Director Promoter	4	4	Yes	-	-	-	-
*P V Subba Rao	Non-Executive Independent Director	4	2	Yes	-	-	-	-
Mangal Rathi	Non-Executive Independent Directors	4	4	Yes	-	-	-	-
*Sumit Agarwal	Non-Executive Independent Directors	4	3	Yes	-	-	-	-

\*The Board of Directors at its meeting held on August 12, 2023 appointed Shri. Sumit Agarwal as an additional director in independent category with effect from August 12, 2023 and Shri. P V Subba Rao was resigned as an independent director w.e.f. 13.08.2023.

## KABSONS INDUSTRIES LIMITED



- (c) Directorships and their category in other listed entities: Nil
- (d) **Number of Board Meetings held during the Financial Year 2023-2024 and dates on which held:**  
As on 31st March, 2024, the Board held four meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are: 25.05.2023, 12.08.2023, 14.11.2023 & 12.02.2024.  
None of the Directors on the Board held directorships in more than eight listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2024 have been made by the Directors. All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. On the expiry of their previous term as independent directors, were reappointed for a period of 5 years. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
- (e) Disclosure of relationships between directors inter-se: Rajiv Kabra and Riha Kabra are father and Daughter.
- (f) Details of equity shares and convertible securities of the Company held by the Non-Executive Directors as on 31st March, 2024 are given below:

Name	Category	Number of shares held
Riha Kabra	Non Executive Director Promoter	0
Mangal Rathi	Non-Executive Independent Directors	2500

As on 31st March, 2024, none of the Non-Executive Directors/Independent Directors other than those mentioned above was holding any shares or convertible securities in the company.

- (g) The details of the familiarization programme of the Independent Directors are available on the website of the Company.
- (h) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning: The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant to performing the function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the Managing Director of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and IT industry for discharging their responsibilities.

### Board Skill Matrix:

In terms of the requirement of the Listing Regulation, the Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below:-

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

## KABSONS INDUSTRIES LIMITED



	Name of the Director	skill/expertise/competence
1	Rajiv Kabra	Business & Industry, Financial Expertise Governance & Compliance
2	Riha Kabra	Business & Industry, Governance & Compliance
3	Sumit Agarwal	Business & Industry, Financial Expertise, Governance & Compliance
4	Mangal Rathi	Business & Industry, Governance & Compliance

- (i) In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.
- (j) Resignation of Independent director. Shri. Venkata Subba Rao Pinapati, Independent Director, resigned w.e.f. 13.08.2023 before the expiry of his tenure. In his resignation letter he confirmed that his resignation was due to his pre-occupation and health condition and there were no other material reasons other than those provided.

Category	No. of Directors	Names of the Directors
Executive Directors (Promoter)	01	Rajiv Kabra
Non-Executive Director (Promoter)	01	Riha Kabra
Non-Executive Independent Directors	02	1. Sumit Agarwal
Total	04	2. Mangal Rathi

- (k) During the year under report, all the information as applicable and falling under Part A of the Schedule II of SEBI Listing Regulations, were placed before the Board for its consideration.
- (l) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.
- (m) During the year, the Independent Directors separately held a meeting on 12.02.2024.
- (n) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.

### Committees

Shri. Venkata Subba Rao Pinapati resigned from the office of independent director of the Company from the close of business hours of August 13, 2023 and consequently ceased to be a member of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Board in its meeting held on 12.08.2023 reconstituted the Committees w.e.f. 13.08.2023 by appointing Shri. Sumit Agarwal as a Member & Chairman in the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee; and as a Member in the Risk Management Committee.

### 3. AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings. The audit committee comprised of the following directors for the year ended 31st March 2024:

1. Shri. Sumit Agarwal – Chairman
2. Shri. Rajiv Kabra - Member
3. Mrs. Mangal Rathi – Member

## KABSONS INDUSTRIES LIMITED



As on 31<sup>st</sup> March 2024, the committee comprised of two independent directors and one executive director, all of whom are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The composition of the audit committee is as per and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 27<sup>th</sup> September 2024. The audit committee met 4 times during the year on 25.05.2023, 12.08.2023, 14.11.2023 & 12.02.2024. The details are as follows:

### Attendance of each Director at Audit Committee Meetings

Name of the Director	Designation	Category	Number of Committee Meetings	
			Held	Attended
Shri. Sumit Agarwal	*Chairman	Independent & Non-Executive Director	2	2
Shri. Rajiv Kabra	Member	Managing Director	4	4
Smt. Mangal Rathi	Member	Independent & Non-Executive Director	4	4
Shri. Venkata Subba Rao Pinapati	**Chairman	Independent & Non-Executive Director	2	2

\*Appointed w.e.f. 13.08.2023

\*\* Ceased w.e.f. 13.08.2023

### 4. Nomination and Remuneration Committee

#### (i) Brief description of terms of reference is for:

- appointment of the directors, and key managerial personnel of the Company; and
- fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

#### (ii) Composition of committee

The Nomination and Remuneration Committee comprised of the following directors for the year ended 31st March 2024:

- Shri. Sumit Agarwal - Chairman
- Smt. Mangal Rathi – Member
- Ms. Riha Kabra – Member

#### (iii) Attendance of each Director at Nomination & Remuneration Committee Meeting

Name of the Director	Designation	Category	Number of Committee Meetings	
			Held	Attended
Shri. Sumit Agarwal	*Chairman	Independent & Non-Executive Director	1	1
Shri. P V Subba Rao	**Chairman	Independent & non Executive director	2	2
Smt. Mangal Rathi	Member	Independent & Non-Executive Director	3	3
Ms. Riha Kabra	Member	Promoter Non executive Director	3	3

\*Appointed w.e.f. 13.08.2023

\*\* Ceased w.e.f. 13.08.2023

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of 2 non-executive and independent directors and 1 one non executive Director. Shri. Sumit Agarwal was the chairman of the committee. Ms.Riha Kabra and Smt. Mangal Rathi are the other members. During the financial year 2023-2024 the committee met on 25.05.2023, 12.08.2023 and 14.11.2023.

## KABSONS INDUSTRIES LIMITED



### **Criteria for Performance evaluation:**

#### **(iv) Remuneration Policy:**

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

#### **5. Stakeholders' Relationship Committee:**

- i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. This composition of the committee and the details of the attendance at the meeting is given below:  
The committee held on 12.02.2024

Name of the Director	Category	Number of Committee Meetings	
		Held	Attended
Shri. P V Subba Rao	*Chairman	0	0
Shri. Sumit Agarwal	**Chairman	1	1
Shri. Rajiv Kabra	Member	1	1
Ms. Mangal Rathi	Member	1	1

\*Appointed w.e.f. 13.08.2023

\*\* Ceased w.e.f. 13.08.2023

#### **Complaints received and redressed during the year 2023-2024**

S.No.	Nature of Complaints	Number of Complaints Received	Number of Complaints Solved	Number of Complaints Pending
1	Regarding annual report	-	-	-
2	Revalidation of dividend warrant	-	-	-
3	Issue of duplicate share certificate	-	-	-
4	Issue of duplicate dividend warrant	-	-	-
5	Procedure for transmission	-	-	-
6	General queries	-	-	-
7	Non receipt of dividend	-	-	-
8	Correction in share certificate	-	-	-
9	Change of address	-	-	-
10	Unclaimed dividend	-	-	-
11	Correction in dividend cheque	-	-	-
	<b>TOTAL</b>	-	-	-

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES".

## KABSONS INDUSTRIES LIMITED



Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri. Madhu Thokala is the compliance officer of the company. For any clarification / complaint the shareholders may contact Shri. Madhu Thokala, Compliance Officer at the registered office of the company.

During the year, one meeting of the Stakeholders' Relationship Committee was held on 12.02.2024.

### 5A. Risk Management Committee

The Company has constituted a Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. During the year under review, the Risk Management Committee met on 12.02.2024.

The composition of the Committee and details of meetings attended by the members of the Committee are given below:

#### Attendance of each Director at Risk Management Committee Meeting

Name of the Director	Category	Number of Committee Meetings	
		Held	Attended
Shri. Rajiv Kabra - Chairman	Managing Director	1	1
Shri. Sumit Agarwal – Member*	Independent & Non-Executive Director	1	1
Smt. Mangal Rathi-Member	Independent & Non-Executive Director	1	1
Shri. P V Subba Rao – Member**	Independent & Non-Executive Director	0	0

\*Appointed w.e.f. 13.08.2023

\*\* Ceased w.e.f. 13.08.2023

Shri. Rajiv Kabra, Managing Director was the Chairman of the committee. Shri. Sumit Agarwal and Mrs.Mangal Rathi are the other members of the committee which also constitute as Risk Management Committee.

### 6 Remuneration of Directors

#### Criteria for making payments to Non- Executive Directors:

The Company has not made any payments to the Non- Executive Directors except sitting fees for attending Board of Directors meetings at <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663763229036-eecece0b-f293>.

#### Remuneration paid to Directors

Out of the total 4 directors, one is Managing Director. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. However, no remuneration is being paid even to the Managing Director. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

Details of Remuneration paid to the all the Directors during the financial year 2023-2024 – NIL.

Details of Sitting Fees paid to Non-Executive Directors during the financial year 2023-2024

Name of the Director	Board Meeting (Rs)	Audit Committee Meeting (Rs)	Remuneration Committee Meeting (Rs)	Stakeholders' Relationship Committee Meeting (Rs)	Total
Shri. P V Subba Rao	10.00	-	-	-	10.00

**KABSONS INDUSTRIES LIMITED**

Mrs. Mangal Rathi	20.00	-	-	-	20.00
Ms. Riha Kabra	20.00	-	-	-	20.00
Shri. Sumit Agarwal	10.00	-	-	-	10.00

**7. General Body Meetings**

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

**(i) Annual General Meetings of the Company :**

AGM	Financial Year	Date, Date & Time	Venue
31 <sup>st</sup>	2022-23	Wednesday, 27 <sup>th</sup> September, 2023, 3.30 PM	Video Conference ("VC") / Other Audio Visual Means ("OAVM")
30 <sup>th</sup>	2021-22	Friday, 23 <sup>rd</sup> September, 2022, 3.00 P.M.	
29 <sup>th</sup>	2020-21	Thursday, 22 <sup>nd</sup> September, 2021, 3.30 PM	

**(ii) The details of special resolutions passed in AGM in the last 3 years are as follows:**

AGM	Subject
September 27, 2023	<b>Special Resolution:</b> Appointment of Shri.Sumit Jaiswal as an Independent Director of the company
September 22, 2022	<b>Special Resolution:</b> Amendment in Object Clause of the Memorandum of Association of the Company
September 22, 2021	<b>Special Resolution:</b> Re-designation of Shri. Rajiv Kabra as Managing Director of the Company

**(iii) Whether special resolutions were put through postal ballot last year, details of voting pattern:**

No special resolutions were necessitated and passed by the shareholders of the company through postal ballot during the year 2023-2024.

**(iv) Whether any resolutions are proposed to be conducted through postal ballot:**

No Special Resolution is proposed to be conducted through Postal Ballot.

**8. Means of Communication**

**(a) Quarterly results:** As part of compliance with Regulation 33, 10 and 47 of the Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations. The Results are also posted on the Company's website <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663757975558-776b7a6f-c9be>.

**(b) Newspapers in which the results were published:** The quarterly, half-yearly and annual results are published in leading newspapers such as The Financial Express and Nava Telangana. These are not sent individually to the shareholders.

**(c) Website where displayed:** The Financial Results and the Shareholding pattern of the Company are made available on the Company's website <https://www.kabsons.co.in> and also on the website of BSE as part of corporate filing made by the Company from time to time.

**(d) Press Release:** The company has not given any press Releases in respect of financial results.

**(e)** No presentations have been made to institutional investors or to analysts.

**9. General Shareholder Information****(i) Annual General Meeting**

Date and time.	24.09.2024 at 3.30 P.M
Venue:	Through Video Conference
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March



## KABSONS INDUSTRIES LIMITED



**(ii) Financial Year**

Financial year is 1<sup>st</sup> April to 31<sup>st</sup> March.

**(iii) Book closure dates:**

From Wednesday, September 18, 2024 to Tuesday, September 24, 2024 (both days inclusive).

**(iv) Particulars of Dividend for the year ended 31.03.2024**

Company has not declared any dividend.

**(v) Listing on Stock Exchanges:**

Company's equity shares are presently listed in the Stock exchanges of Mumbai (BSE), and other 2 stock exchanges at Ahmedabad and Kolkata.

There is an outstanding Listing Fee of Rs.40,025/- and Rs.1,81,922/- to Ahmedabad Stock Exchange Ltd and The Calcutta Stock Association Ltd respectively.

The company has paid the listing fee BSE for the financial year 2023-24.

**(vi) Stock and ISIN Codes for the Company's shares:**

Name of the Stock Exchange	:	Stock Codex
BSE Limited, Mumbai	:	524675
ISIN allotted by Depositories(Company ID Number)	:	INE645C01010

**(vii) Market price details:**

Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) are given below:

Month & Year	BSE	
	High	Low
April, 2023	10.38	8.61
May, 2023	10.68	8.69
June, 2023	11.64	9.23
July, 2023	11.50	9.65
August, 2023	12.94	9.51
September, 2023	14.94	11.72
October, 2023	14.50	11.79
November, 2023	22.99	12.21
December, 2023	24.34	18.21
January, 2024	26.38	16.90
February, 2024	26.38	17.60
March, 2024	22.23	17.08

**(viii) Registrar and Share Transfer Agents**

M/s.XL Softech Systems Limited, having its registered office at #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.

- (ix) Share Transfer System:** Around 83 % of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company. The shareholders may kindly note that in accordance with SEBI Notification dt.8.6.2018, with effect from 1.4.2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/ Registrar (RTA), if the shares concerned are held in physical form. As regards to transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above

**(x) Details of shareholding of Directors as on 31<sup>st</sup> March, 2024**

As on 31<sup>st</sup> March 2024, the company had Managing Director and three non-executive directors. The Managing Director, Shri. Rajiv Kabra holds 91,19,500 equity shares in the company. Among the non executive directors Shri. Sumit Agarwal nil equity shares, Mrs. Mangal Rathi holds 2,500 and Ms.Riha Kabra holds nil equity shares in the company.

**KABSONS INDUSTRIES LIMITED**

**(xi) Shareholding Pattern as on 31<sup>st</sup> March 2024**

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	7		26,58,753	26,58,753	15.23
b. Directors & their relatives	4		92,21,400	92,21,400	52.81

<b>Public Shareholding</b>					
<b>I. Institutions</b>					
Mutual Funds/UTI					
Financial Institutions/Banks	2	100	3,55,018	3,55,118	2.03
Insurance Companies					
Foreign Institutional Investors					
Any others - Bodies Corporate	127	69,200	89,015	1,58,215	0.91
<b>II. Non Institutions</b>					
Individual share capital upto Rs. 2 Lacs	20255	26,04,776	19,59,919	45,93,392	26.14
Individual share capital in excess of Rs. 2 Lacs	4	1,26,800	1,77,550	3,04,350	1.74
Any others					
Non Resident Indians (NRI)	46	1,06,500	16,378	1,22,878	0.70
Trusts	1	0	100	100	0.00
Clearing member	0	0	0	0	0.00
HUF	81	1300	76,191	77491	0.44
<b>Total</b>	<b>20,527</b>	<b>29,08,676</b>	<b>1,45,54,324</b>	<b>1,74,63,000</b>	<b>100.00</b>

**(xii) Distribution of Shareholding as on 31<sup>st</sup> March 2024**

Shareholdings of nominal value of (Rs.)	Shareholders		Share Amount	
	Nos	%	In Rs.(000's)	%
Upto 5,000	19,302	94.03	21,725.34	12.44
5,001 – 10,000	465	2.27	3,834.08	2.20
10,001 – 20,000	232	1.13	3,516.53	2.01
20,001 – 30,000	355	1.73	8,931.48	5.11
30,001 – 40,000	39	0.19	1,369.27	0.78
40,001 – 50,000	49	0.24	2,359.23	1.35
50,001 – 1,00,000	42	0.20	3,070.45	1.76
1,00,001 and Above	43	0.21	129,823.62	74.35
Total	20,527	100.00	174,630.00	100.00

**(xiii) Dematerialization of Shares and liquidity:** Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with NSDL and CDSL for the purpose. The ISIN

## KABSONS INDUSTRIES LIMITED



Particulars	Number of Shares	% of holding
In Demat Form with NSDL	1,33,87,861	76.66
In Demat Form with CDSL	11,66,463	6.68
Physical	29,08,676	16.66
<b>Total Shares</b>	<b>1,74,63,000</b>	<b>100.00</b>

number for the company's shares is – INE645C01010. Shares representing more than 83% of the share capital were kept in dematerialized form as on 31<sup>st</sup> March, 2024 as detailed below:

**(xiv) Details of outstanding GDR / ADR / Warrants or any other convertible instruments:**

The company has not issued any GDR/ADR Warrants or any other convertible instruments.

**(xv) Plant Locations**

- 1) Plot No.B-3, M.I.D.C, Waluj, Aurangabad, Maharashtra – 431 136
- 2) Plot No.706 & 708, GIDC, Palej Industrial Estate, Gujarat – 392 220
- 3) Plot No.A-134, Hirawala Industrial Area, Kanota, Jaipur, Rajasthan-303012
- 4) Plot No.37, Belur Industrial Estate, Dharwad, Karnataka – 580 011
- 5) Plot No.32, Khurda Industrial Estate, Khurda, Orissa – 752 055
- 6) Plot No.124 & 125, Tupudana Industrial Area, P.O Hatia, Ranchi – 834 003
- 7) Killa No.170 & 171Sampla Berry Road, Ismaila Village, Rohtak, Haryana - 124517

**(xvi) Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares

M/s. XL Softech Systems Ltd  
#3, Sagar Society, Road No.2,  
Banjara Hills, Hyderabad – 500 034  
Tel : 91-40 23545913  
91-40 23545914  
E-mail: xlfield@gmail.com

For any other general matters or in case of any difficulties / grievance

Shri.MadhuThokala  
Company Secretary cum Compliance Officer  
Tel : 91-40 23554970  
E-mail : operationslpg@gmail.com

Grievance redressal division Email: kilshareholders@gmail.com

### 10. Other Disclosures

**(i) Related Party Transactions:**

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in Annexure – I of Directors Report and notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

**(ii) Statutory compliance, Penalties and Strictures:**

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

**(iii) Establishment of Vigil mechanism, Whistle Blower Policy and affirmation**

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company at <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663763229036-eece0b-f293>. No personnel have been /will be denied access to the audit committee.

## KABSONS INDUSTRIES LIMITED



### **(iv) Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:**

The Company has inter-alia complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations. The Corporate Governance Report of the Company for the year 2024 is in compliance with all applicable requirements of Listing Regulations. The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

- (a) The Company had implemented all the mandatory requirements applicable to it under Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.
- (b) The audited financial statements of the Company are unqualified except IND AS 19 ‘Employee Benefits’.
- (c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

### **(v) Subsidiary Companies**

Kabsons Technologies P. Ltd, subsidiary of the Associate Company doesn’t come under the purview of the term ‘material non-listed Indian subsidiary’ as defined under Regulation 24 of the SEBI LODR Regulations, 2015.

(vi) web link where policy on dealing with related party transactions - <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663763229036-eeace0b-f293>

(vii). **Commodity Price risks and hedging activities:** Commodity price risk is a financial risk on an entity’s financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces. Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

(viii). Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.

(ix). During the year 2023, the Board of Directors accepted all recommendations of the Committees of the Board of Directors, which are mandatorily required to be made.

(x). **Fee paid to Statutory Auditors:** A total fee of Rs.1,65,000/- (including out of pocket expenses) was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2023-24.

(xi). Disclosure in relation to sexual harassment During the year 2023-24, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **(xii) Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and the total number of shares held in demat form with NSDL and CDSL and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2023 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 1,45,54,324 equity shares representing 83.34% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2024.

(xiii). The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company <https://www.kabsons.co.in/disclosures-sebi-lodr/#1663763229036-eeace0b-f293>

11. The company has duly complied with the requirements of the Corporate Governance Report of Sub-para 2 to 10 of Part (C) of Schedule V of the Listing Regulation.

12. The following discretionary requirements have been adopted pursuant to Part E of Schedule II of Listing Regulations. (a) The Internal Auditors of the company are directly reporting to the Audit Committee. (b) The financial statements of the company are with modified opinion.

13. the company is in due compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations. .

### **14. Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

## KABSONS INDUSTRIES LIMITED



### 15. Code of Conduct for the Board of Directors and the Senior Management

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website <https://www.kabsons.co.in>. As provided under the SEBI (LODR) Regulations, 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2023-2024.

16. The compliance certificate from the practicing company secretary regarding compliance of conditions of corporate governance has been annexed to the Directors Report.

### **Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website. I confirm that the company has in respect of the year ended March 31, 2024, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees and the Company Secretary as on March 31, 2024.

Place : Hyderabad  
Date : 13-08-2024

Sd/-  
Rajiv Kabra  
Managing Director  
DIN:00038605

### **Certification by Managing Director and Chief Financial Officer (CFO) to the Board**

We, Rajiv Kabra, Managing Director and M Krishna Murthy, Chief Financial Officer of Kabsons Industries Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place: Hyderabad  
Date: 13-08-2024

Sd/-  
Rajiv Kabra  
Managing Director  
DIN:00038605

Sd/-  
M Krishna Murthy  
Chief Financial Officer

## KABSONS INDUSTRIES LIMITED



### Certificate on Corporate Governance

To,  
The Members of  
M/s. Kabsons Industries Limited  
[CIN: L23209TG1993PLC014458]  
MadhuwVihar, Second Floor,  
Plot No.17 8-2-293/82/C/17,  
Jubilee Hills, Road No.7, Hyderabad,  
Telangana – 500033.

We have examined the compliance of conditions of Corporate Governance by Kabsons Industries Limited ('the Company') for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

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

This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For B S S & Associates  
Company Secretaries

Sd/  
S. Srikanth  
Partner

Place: Hyderabad  
Date: 13-08-2024

ACS No.22119, CPNo.7999  
UDIN:A022119F000956987  
Peer Review Cert No.726/2020

## KABSONS INDUSTRIES LIMITED



### Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
M/s. Kabsons Industries Limited  
[CIN: L23209TG1993PLC014458]  
MadhuVihar, Second Floor,  
Plot No.17 8-2-293/82/C/17,  
Jubilee Hills, Road No.7, Hyderabad,  
Telangana – 500033.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kabsons Industries Limited** having CIN:L23209TG1993PLC014458 and having registered office at MadhuVihar, Second Floor, Plot No.17 8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	Shri.RajivKabra	00038605	01/08/1996
02	Shri.SumitAgarwal	10255478	12/08/2023
03	Mrs.MangalRathi	06966755	30/09/2014
04	Ms. RihaKabra	08825577	27/08/2020

\*\* Mr. P.V. Subba Rao resigned on 13.08.2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B S S & Associates  
Company Secretaries

Sd/-  
S.Srikanth  
Partner

ACS No.: 22119; C P No.: 7999  
UDIN:A022119F000957011  
Peer Review Cert No.726/2020

Place: Hyderabad  
Date: 13.08.2024

## KABSONS INDUSTRIES LIMITED



### Independent Auditor's Report

To the members of **KABSONS INDUSTRIES LIMITED**, Hyderabad

#### Report on the Financial Statements:

#### Qualified Opinion

We have audited the accompanying financial statements of **KABSONS INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

The Company has not adopted and complied with the requirements of Ind AS-19 'Employee Benefits' in respect of the Gratuity liability which constitute a departure from the Accounting standards mentioned in the Companies (Indian Accounting Standards) Rules 2015 referred in section 133 of the Act. In view of this the liability of the company in this regard could not be ascertained. Consequently, we are unable to comment about the impact of the same on the profit for the year, income tax and shareholder's funds.

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

#### Emphasis of matter

We draw attention to Note 33.1 in the financial statements which states that the Company had decided not to provide interest on dealer/distributor deposits for the reasons explained in the said note. Our opinion is not modified in this regard.

#### Key Audit Matters

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Deferred Tax Assets

##### Key Audit matter description:

The Company has not recognised deferred tax asset for deductible temporary differences and unused tax losses. As, the utilization of deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilization of tax losses.

Management has supported the non-utilization of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.



## KABSONS INDUSTRIES LIMITED



### **Principal Audit procedures**

Our audit procedures include, among others, evaluating the future estimated business projections and projected tax computations prepared by the company to assess the recognition and measurement of the current tax and deferred tax assets and liabilities and evaluate the compliance with tax legislation. We paid attention to Long-term Forecasts and critically assessed the assumptions and judgements underlying these forecasts by considering the historical accuracy of forecasts and the sensitivities of the profit forecasts. We assessed the adequacy and the level of estimation involved.

### **Report on Other information other than Financial statements**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



## KABSONS INDUSTRIES LIMITED

- obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("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 the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 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;
  - c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 excepting Ind AS 19 ( Employee Benefits);
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in

## KABSONS INDUSTRIES LIMITED



**“Annexure B”**, Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls with reference to financial statements ;

- g) with respect to Managerial Remuneration to be included in the Auditor’s report under Section 197(16): Company has not paid any remuneration to the directors other than sitting fees to independent directors. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;
- h) with respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements **Refer Note 33** to the Ind AS financial statements;
  - the Company has no long-term contracts and did not have derivative contracts; and
  - the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company is as given below.

Amount (Rs.)	Period to which amount relates to	Due date
22.55	1994-95	19.10.2001

- iv.(a) the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the accounts, no funds (which are material either individually or in the aggregate) have been advanced (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, to or in, any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) the Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. the Company had not declared or paid any dividend during the year under Report.
- Vi based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

## KABSONS INDUSTRIES LIMITED



Place: Hyderabad  
Date: 27<sup>th</sup> MAY 2024

for K. S. RAO & Co  
Chartered Accountants  
Firm Registration No: 0031095  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no: 029193  
UDIN: 24029193BKFELJ9984

### ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kabsons Industries Limited for the year ended 31<sup>st</sup> March, 2024.

#### **Statement on the Companies (Auditor's Report) order, 2020**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) (a) (A) the Company maintains proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.  
(B) the Company maintains proper records showing full particulars of intangible assets
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) the title deeds of all the immovable properties (other than properties where the Company is the Lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company ;
- (d) the Company has not revalued its Property, Plant and Equipment.
- (e) no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii) (a ) the inventory has been physically verified by the management at reasonable intervals during the year under report and the discrepancies noticed during such physical verification of inventories as compared to book records have been properly dealt with in the books of account;  
(b ) the Company has not availed any working capital limits on the security of current assets . Hence Para 3(ii) (b ) of the said Order is not applicable regarding the submission of quarterly returns .
- iii) the company has not made investments in provided any guarantee or security, granted any loans or advances in the nature of loans ,secured or unsecured ,to companies, firms, Limited Liability Partnerships or any other parties . Therefore, the provisions of sub Clauses (a) to (f) of clause (iii) of Para 3 of the said Order are not applicable for the year under report
- iv) in view of our comment given in clause (iii) above clause (iv) of the above said Order is not applicable in respect of compliance with the provisions of sections 185 and 186 of the Act;
- v) the Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.

## KABSONS INDUSTRIES LIMITED



vi) maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013. Hence para 3 clause (vi) of the afore said Order is not applicable.

vii) (a) the company is regular in depositing statutory dues with appropriate authorities except the investor education and protection fund.

Amount (Rs.)	Period to which amount relates to	Due date
22.55	1994-95	19.10.2001

- (b) On the basis of our examination of the records of the company, there are no dues of sales tax, income tax, customs duty, excise duty, service tax and cess which have not been deposited on account of any dispute;
- viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under para 3 clause (viii) is not applicable
- ix) according to the records of the company examined by us the company had not borrowed any loan from any lender. Therefore, the provision of subclause (a) to (f) of clause (ix) of para 3 of the Order is not applicable;
- x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Therefore, the provision of clause 3(x) (a) of the Order is not applicable;
- (b) the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence para 3(x) (b) of the said Order is not applicable
- xi) (a) during the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor we have been informed any such cases by the management;
- (b) no report, under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, is filed with the Central Government during the year and as on the date of issuance of our Audit Report;
- (c) as represented to us by the management, there are no whistle blower complaints received by the company during the year
- xii) the company is not a Nidhi Company. Therefore, the provisions of sub clauses (a) to (c) of clause (xii) para 3 of the Order is not applicable to the company during the year under report;
- xiii) Based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv) a) the Company has internal audit system commensurate with the nature and size of the business.  
(b) the reports of the internal auditor were considered for the period under audit;
- xv) Based on our examinations of the records of the company, the company has not entered into non cash transactions with directors or persons connected with them. Therefore, the provision of clause (xv) para 3 of the Order is not applicable;

## KABSONS INDUSTRIES LIMITED



- xv) (a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- (b) the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
- (c) the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- xvii) the company has not incurred any cash losses in the financial year and immediately preceding financial year
- xviii) there has not been any resignation of the statutory auditors during the year
- xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans no material uncertainty exists as on date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) the Company is not obliged to spend amounts for CSR activities since the Company does not fall in the category of Companies mentioned in section 135 of the Companies Act. Hence the para 3 clause (xx) sub clause (a) and (b) of the said Order not applicable

for **K.S. RAO & CO**  
Chartered accountants  
Firm Registration No. 003109S

Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership No. 029193  
UDIN: 24029193BKFELJ9984

Place: Hyderabad  
Date: 27<sup>th</sup> May 2024

## KABSONS INDUSTRIES LIMITED



### ANNEXURE-'B' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 2(f) under the heading "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **KABSONS INDUSTRIES LIMITED** for the year ended 31st March 2024

#### **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 with reference to financial statements of **KABSONS INDUSTRIES LIMITED** ("the Company") as of 31st March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls with reference to financial statements**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements 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 with reference to financial statements 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 Standard 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is insufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

## KABSONS INDUSTRIES LIMITED



only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2024, based on the internal control with reference to financial statements 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 **K.S. RAO & CO**

Chartered accountants  
Firm Registration No. 003109S

Sd/-

**(P. GOVARDHANA REDDY)**

Partner

Membership No. 029193  
UDIN: 24029193BKFELJ9984

Place: Hyderabad

Date: 27<sup>th</sup> May 2024



**KABSONS INDUSTRIES LIMITED**


<b>BALANCE SHEET AS AT 31ST MARCH 2024</b>			
(All amounts in thousands, unless otherwise stated)			
Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
1	2	3	4
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant and Equipment	2(a)	74,787.17	62,460.67
(b) Right of use asset	2(b)	6,102.61	6,774.86
(c) Capital Work-in-Progress	3	216.00	-
(d) Investment Property	4	642.86	660.15
(e) Other Intangible assets	5	0.43	0.43
(f) Financial Assets			
(i) Investments	6	30,092.55	24,463.10
(ii) Other financial assets	7	640.28	8,214.23
(g) Other non-current assets	8	693.06	484.45
(2) <b>Current assets</b>			
(a) Inventories	9	4,579.22	639.22
(b) Financial Assets			
(i) Trade Receivables	10	6,315.00	2,748.51
(ii) Cash and cash equivalents	11	9,399.53	2,370.44
(iii) Bank balances other than (ii) above	12	10,967.06	14,651.44
(iv) Loans	13	206.00	6.00
(v) Other Financial assets	14	1,096.33	1,077.79
(c) Current Tax Assets (Net)		1,840.86	3,915.79
(d) Other current assets	15	31,904.46	19,390.66
<b>Total Assets</b>		<b>179,483.40</b>	<b>147,857.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	174,630.00	174,630.00
(b) Other Equity		(55,877.70)	(81,934.72)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	17	3,560.31	4,897.55
(ia) Lease liability	17	3,488.29	4,023.31
(b) Provisions	18	1,416.05	1,057.20
(c) Other non-current liabilities	19	106.35	69.22
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	20	4,492.01	3,143.73
(ii) Other financial liabilities	21	45,817.16	40,285.95
(b) Other current liabilities	22	1,102.92	1,012.43
(c) Provisions	23	748.01	673.07
<b>Total Equity and Liabilities</b>		<b>179,483.40</b>	<b>147,857.73</b>
Significant Accounting policies	1		
Explanatory Notes & Other Disclosures	32		
as per our report of even date <b>for K.S.RAO &amp; CO.</b> Chartered Accountants Firms' Registration No.: 003109S Sd/- <b>(P.GOVARDHANA REDDY)</b> Partner, Membership No. 029193 Place: Hyderabad Date: 27.05.2024	<b>For and on behalf of Board of Directors</b> Sd/- <b>(SUMIT JAISWAL)</b> Director DIN: 10255478 DIN: 00038605  Sd/- <b>(M.KRISHNA MURTHY)</b> Chief Financial Officer	Sd/- <b>(RAJIV KABRA)</b> Chairman and Managing Director  Sd/- <b>(T MADHU )</b> Company Secretary	

**KABSONS INDUSTRIES LIMITED**


<b>Statement of Profit and Loss for the year ended 31 March 2024</b>			
(All amounts in thousands, unless otherwise stated)			
Particulars	Note No.	Current Year	Previous Year
<b>ASSETS</b>			
(I. Revenue from operations)	24	272,188.36	169,955.88
II. Other income	25	12,645.55	3,373.98
<b>III.Total Income (I+II)</b>		<b>284,833.91</b>	<b>173,329.86</b>
<b>IV. Expenses</b>			
(i) Purchases of Stock-in-Trade	26	225,947.59	136,536.00
(ii) Changes in inventories of stock in trade	27	(4,056.78)	1,505.64
(iii) Employee benefits expense	28	12,855.33	10,019.41
(iv) Finance costs	29	608.80	802.77
(v) Depreciation and amortization expenses	2, 3, 4, 5	7,998.44	5,293.99
(vi) Other expenses	30	17,002.09	11,259.75
<b>Total expenses</b>		<b>260,355.48</b>	<b>165,417.57</b>
<b>V.Profit / (Loss) before Exceptional Items and Tax(III-IV)</b>		24,478.43	7,912.29
VI. Exceptional Items	31	1,584.03	0.01
<b>VII.Profit / (Loss) before tax ( V+ VI )</b>		26,062.46	7,912.31
<b>VIII.Tax expense:</b>			
(1) Current tax		-	1,234.32
MAT entitlement		1,234.32	(1,234.32)
MAT provision written back		(1,234.32)	-
(2) Deferred tax		-	-
(3) Earlier Year Tax Paid		5.43	15.49
<b>IX.Profit / (Loss) after tax for the year (VII-VIII)</b>		<b>26,057.03</b>	<b>7,896.82</b>
<b>X.Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
B Items that will be reclassified to profit or loss			
<b>Other comprehensive income for the year (net of tax)</b>		-	-
<b>XI.Total Comprehensive Income for the year (IX+X)</b>		<b>26,057.03</b>	<b>7,896.82</b>
<b>XII. Earnings per equity share</b>			
Basic & Diluted		1.49	0.45
Significant Accounting policies	1		
Explanatory Notes & Other Disclosures	32		
as per our report of even date			
<b>for K.S.RAO &amp; CO.</b>		<b>For and on behalf of Board of Directors</b>	
Chartered Accountants		Sd/-	Sd/-
Firms' Registration No.: 003109S		(SUMIT JAISWAL)	(RAJIV KABRA)
Sd/-		Director	Chairman and Managing Director
(P.GOVARDHANA REDDY)		DIN: 10255478 DIN: 00038605	
Partner, Membership No. 029193			
Place: Hyderabad		Sd/-	Sd/-
Date: 27.05.2024		(M.KRISHNA MURTHY)	(T MADHU )
		Chief Financial Officer	Company Secretary

**KABSONS INDUSTRIES LIMITED**


<b>Cash Flow Statement for the Year ended 31st March 2024</b>			
(All amounts in thousands, unless otherwise stated)			
Particulars	Year ended 31st March 2024	Year ended 31st March 2023	
<b>A</b>	<b>Cash flow from Operating Activities:</b>		
Profit Before tax	26,062.46	7,912.31	
Adjustments for:			
Depreciation and Amortisation	7,998.44	5,293.99	
Loss/ (Gain) on sale of tangible assets (net)	108.94	-	
Interest Income	(833.07)	(1,290.20)	
Interest Expense	608.80	802.77	
Lease rental	-	133.91	
Fair value (gain) /loss on Investments	(8,829.29)	176.80	
<b>Operating profit before working capital changes</b>	<b>25,116.28</b>	<b>13,029.58</b>	
Adjustments for (increase)/decrease in operating assets			
Inventories	(3,940.00)	1,505.64	
Trade Receivables	(3,566.49)	389.53	
Other financial assets - current	(218.53)	60.53	
Other non financial assets - current	(12,722.40)	(12,259.55)	
Adjustments for increase/(decrease) in operating liabilities			
Trade Payables	1,348.27	1,904.61	
Other financial liabilities - current	5,531.21	12,375.36	
Short term provisions	74.94	1.58	
Long term provisions	358.85	79.66	
Other Non financial liabilities - current	425.43	92.22	
<b>Cash generated from operations</b>	<b>12,407.56</b>	<b>17,179.16</b>	
Income tax paid	2,069.50	352.52	
<b>Net Cash flow from/(used in) operating activities</b>	<b>14,477.06</b>	<b>16,826.64</b>	
<b>B</b>	<b>Cash flow from Investing Activities:</b>		
Purchase of Property, plant and Equipment & Intangible assets and Capital Advances & Capital Creditors	(15,062.35)	-	
Proceeds from sale of Investments	3,090.90	-	
Additions to CWIP during the year	(216.00)	-	
Investments made during the year	-	-	
Interest income Received	833.07	1,290.20	
Other financial assets - Non current	7,573.95	(4,885.18)	
Investments made in Bank Deposits	3,684.38	4,793.29	
<b>Net Cash flow from/(used in) investing activities</b>	<b>(4,669.11)</b>	<b>(13,864.04)</b>	
<b>C</b>	<b>Cash flow from Financing Activities:</b>		
Lease Liability payment	(1,143.82)	(696.44)	
Interest paid	-	(802.77)	
Loans given/Received	-	(4.01)	
Other financial liabilities - Non current	(1,337.24)	(1,454.44)	
Other Non financial liabilities - Non current	(297.81)	401.99	
<b>Net Cash flow from/(used in) financing activities</b>	<b>(2,778.87)</b>	<b>(2,555.67)</b>	
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>7.03</b>	<b>0.41</b>	
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>2,370.44</b>	<b>1,963.51</b>	
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,377.47</b>	<b>1,963.92</b>	
<b>Components of Cash and Cash Equivalents</b>			
a.	Cash on hand	23.63	30.09
b.	Balances with banks		
	- In current accounts	9,375.90	2,340.35
	- In term deposits (with original maturity of 3 months or less)	-	-
	<b>Cash and Cash Equivalents as per Balance Sheet (Note no. 11)</b>	<b>9,399.53</b>	<b>2,370.44</b>
c.	Bank Overdraft	-	-
	<b>Total Cash and Cash Equivalents in Cash Flow Statement</b>	<b>9,399.53</b>	<b>2,370.44</b>
The Cash flow statement is prepared under indirect method in accordance with IND AS-7			
Significant Accounting policies 1			
Explanatory Notes & Other Disclosures 32			
as per our report of even date			
<b>for K.S.RAO &amp; CO.</b>			
Chartered Accountants			
Firms' Registration No.: 003109S			
<b>Sd/-</b>			
<b>(P.GOVARDHANA REDDY)</b>			
Partner, Membership No. 029193			
<b>Place: Hyderabad</b>			
<b>Date: 27.05.2024</b>			
<b>For and on behalf of Board of Directors</b>			
<b>Sd/-</b>		<b>Sd/-</b>	
<b>(SUMIT JAISWAL)</b>		<b>(RAJIV KABRA)</b>	
Director		Chairman and Managing Director	
DIN: 10255478 DIN: 00038605			
<b>Sd/-</b>		<b>Sd/-</b>	
<b>(M.KRISHNA MURTHY)</b>		<b>(T MADHU )</b>	
Chief Financial Officer		Company Secretary	

**KABSONS INDUSTRIES LIMITED**

**Statement of Changes in Equity for the year ended 31st March 2024**

(All amounts in thousands, unless otherwise stated)

**A. Equity Share Capital**

Particulars	As at	
	31st March 2024	31st March 2023
At the beginning of the year	174,630.00	174,630.00
Changes in equity share capital during the year	-	-
At the end of the year	174,630.00	174,630.00

**B. Other Equity**
**FY 2023-2024**
**Particulars**

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 31st March 2022	47,237.42	(137,068.96)	-	(89,831.54)
Total Comprehensive Income for the year ended 31st March	-	7,896.82	-	7,896.82
Balance as at 31st March 2023	47,237.42	(129,172.14)	-	(81,934.72)
Total Comprehensive Income for the year ended 31st March 2024	-	26,057.03	-	26,057.03
Balance as at 31st March 2024	47,237.42	(103,115.11)	-	(55,877.70)

	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 31st March 2021	47,237.42	(153,077.33)	-	(105,839.92)
Total Comprehensive Income for the year ended 31st March 2022	-	16,008.38	-	16,008.38
Balance as at 31st March 2022	47,237.42	(137,068.96)	-	(89,831.54)
Total Comprehensive Income for the year ended 31st March 2023	-	7,896.82	-	7,896.82
Balance as at 31st March 2023	47,237.42	(129,172.14)	-	(81,934.72)

 as per our report of even date  
**for K.S.RAO & CO.**

 Chartered Accountants  
 Firms' Registration No.: 003109S

**Sd/-**
**(P.GOVARDHANA REDDY)**  
 Partner, Membership No. 029193

**Place: Hyderabad**
**Date: 27.05.2024**
**For and on behalf of Board of Directors**
**Sd/-**
**(SUMIT JAISWAL)**

Director

DIN: 10255478 DIN: 00038605

**Sd/-**
**(RAJIV KABRA)**

Chairman and Managing Director

**Sd/-**
**(M.KRISHNA MURTHY)**

Chief Financial Officer

**Sd/-**
**(T MADHU )**

Company Secretary

## KABSONS INDUSTRIES LIMITED



### **CORPORATE INFORMATION**

Kabsons Industries Limited (the 'company') is a public limited company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the company is located at Madhuw Vihar, 2<sup>nd</sup> Floor, Plot No.17, H.No.8-2-293/82/C/17, Road No.7, Jubilee Hills, Hyderabad, Telangana - 500033.

The company is engaged in the business of bottling and selling LP Gas under the brand name "KABSONS". The Company's shares are listed on BSE Ltd

### **1. MATERIAL ACCOUNTING POLICIES**

#### **Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.

#### **1.1. Basis of Preparation and Measurement:**

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

#### **Use of estimates and judgements**

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### **1.2. Current Vs Non-current classifications:**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i) The asset/liability is expected to be realised/ settled in the Company's normal operating cycle.
- ii) The asset is intended for sale or consumption.
- iii) The asset/liability is held primarily for the purpose of trading.
- iv) The asset/liability is expected to be realised/ settled within twelve months after the reporting period.
- v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- vi) In the case of liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### **1.3.1 Property, Plant and Equipment:**

##### **• Measurement at recognition**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment other than land are carried at their cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at cost of acquisition.

The cost of an item of property, plant and equipment comprises the purchase price and any cost attributable to bring the asset to its location and working condition for its intended use. Borrowing

## KABSONS INDUSTRIES LIMITED



costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

- **Capital Work in Progress**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

- **Depreciation and amortization methods**

- a) Depreciation is provided on Straight Line Method on the assets over the useful lives specified in Schedule II to the Companies Act, 2013.
- b) Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

- **Impairment**

a) Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

- **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

### 1.3.2 Intangible Assets:

- **Computer Software**

Computer software is measured on initial recognition at cost. Following initial recognition, software is carried at its cost less accumulated amortization and accumulated impairment losses.

- **Amortization Methods**

The carrying amount of computer software is amortized over the useful life.

- **Derecognition**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

**Leases**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee, The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if there is a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. For a lease modification that is not a separate lease, at the effective date of the modification, the lessee accounts for the lease modification by remeasuring the lease liability using a discount rate determined at that date and the lessee makes a corresponding adjustment to the right-of-use asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Lease payments have been classified as financing activities in the Statement of Cash Flow. The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Company as a lessor, Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Company didn't enter into any finance lease agreements.

**1.3.3 Cash and cash equivalents:**

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, with original maturities of three months or less other short term highly liquid investments that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

**1.3.4 Inventories**

Inventories are valued at the lower cost and net realizable value.

Scrap is valued at Net realizable value.

The cost is computed on First in First Out.

Cost of Stock-in-trade, stores and packing material comprises cost of purchases and includes all other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the

estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with this IndAS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory.

### **1.3.5 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

- **Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

- **Subsequent measurement:**

For subsequent measurement, the Company classifies its financial assets into the following categories:

- (i) Amortized cost
- (ii) Fair value through profit and loss (FVTPL)
- (iii) Fair value through other comprehensive income (FVTOCI).

- a) Financial Asset measured at amortized cost**

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

The company while applying above criteria has classified all the financial assets (except investments in mutual funds) at amortized cost.

- b) Financial Asset measured at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

The company while applying above criteria has identified that there are no financial assets that can be classified at fair value through other comprehensive income

- c) Financial Asset measured at fair value through profit and loss (FVTPL)**

Financial Assets are measured at fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

Investments in Mutual funds are classified as financial assets measured at FVTPL.

- **Impairment**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.



## KABSONS INDUSTRIES LIMITED



Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrices based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

- **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

- **Financial Liabilities**

- **Initial Recognition and Measurement**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

- **Subsequent Measurement**

- a. **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the profit or loss. The Company doesn't designate any financial liability at fair value through profit or loss.

- b. **Financial liabilities at amortized cost**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

- **Derecognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

### 1.3.6 Revenue

Revenue from contract with customer is recognized upon transfer of control of promised products or services to customers on complete satisfaction of performance obligations for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as per contracts with the customers. Revenue also excludes taxes or amounts collected from customers in its capacity as agent.

- **Sale of goods:**

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST.

- **Rendering of Services**

Revenue from services rendered is recognized when the work is performed and as per the terms of agreement.

- **Interest / Dividend**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is recognized when right to receive is established.

### 1.3.7 Prior period items

In case prior period adjustments are material in nature, the Company prepares the restated financial statements as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates

## KABSONS INDUSTRIES LIMITED



and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

### 1.3.8 Income taxes

Income tax expense for the year comprises current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

**Current tax** is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expense if any, related to income tax are included in current tax expense.

**Deferred tax** Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### 1.3.9 Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

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

### 1.3.10 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

### 1.3.11 Functional and Reporting Currency:

The Company's functional and reporting currency is Indian National Rupee.

- **Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- **Conversion on reporting date:**

Foreign currency monetary items are reported using the closing rate with reference to RBI rate on non-monetary items that are measured in terms of historical costing a foreign currency is translated using the exchange rates at the dates of the initial transactions.

## KABSONS INDUSTRIES LIMITED



- **Exchange Differences:**

Exchange difference arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

### 1.3.11 Employee Benefits

- **Defined Contribution Plan**

Employer's contribution to Provident Fund/Employee State Insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

- **Defined Benefit Plan**

- a. Gratuity**

Gratuity liability is defined benefit obligation. Such liability is provided only for employees who have completed 5 years of continuous service as per the provisions of the Payment of Gratuity Act, 1972.

- b. Compensated absences**

Compensated absences which are defined benefit obligation are provided for based on number of leaves outstanding as on balance sheet date according to the policy of the company.

### 1.3.12 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders in Statement of changes in Equity. Any interim dividend paid is recognized on approval by Board of Directors.

### 1.3.13 Investment property

- Assets which are held for long-term rental yields or for capital appreciation or both, are classified as Investment Properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company has elected to regard previous GAAP carrying values of investment properties as deemed cost at the date of transition to Ind AS.
- The Company depreciates investment properties over their estimated useful lives, as specified in Schedule II to the Companies Act, 2013.
- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period in which the property is derecognized.

**KABSONS INDUSTRIES LIMITED**



**Notes forming part of the Financial Statements for the year ended 31st March, 2024**  
**2(a) Property, Plant and Equipment** (All amounts in thousands, unless otherwise stated)

Sl.no	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31 March 2023	Additions	Deletions	As at 31 March 2024	Upto 31 March 2023	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
1	Land: Freehold <sup>(*)</sup>	1,014.82	-	-	1,014.82	-	-	-	-	1,014.82	1,015
2	Buildings: Factory Non Factory	49,984.48	1,216.36	-	51,200.84	24,315.84	1,333.89	-	25,649.73	25,551.11	25,669
3	Plant & Machinery	1,905.96	-	-	1,905.96	937.48	26.51	-	963.99	941.96	968
4	Electrical Installations	38,888.58	-	-	38,888.58	25,708.37	757.26	-	26,465.63	12,422.95	13,180
5	Furniture & Fixtures	6,898.30	11.05	-	6,898.30	6,044.94	126.26	-	6,171.20	727.09	853
6	Office equipment	3,260.96	-	-	3,272.01	3,076.30	5.41	-	3,081.71	190.30	185
7	Vehicles	1,634.15	-	-	1,634.15	1,438.60	19.56	-	1,458.16	175.99	196
8	Cycle	900.53	-	-	900.53	575.11	96.73	-	671.83	228.70	325
9	Data Processing Equipment	1.71	33.97	-	3,579.96	3,247.33	69.61	-	3,316.94	263.02	299
10	Cylinders	3,545.99	18,489.39	-	108,611.96	70,351.78	4,989.05	-	75,340.83	33,271.13	19,771
	<b>Total</b>	<b>198,158.04</b>	<b>19,750.78</b>	<b>-</b>	<b>217,908.81</b>	<b>135,697.37</b>	<b>7,424.27</b>	<b>-</b>	<b>143,121.64</b>	<b>74,787.17</b>	<b>62,461</b>

(\*) The Company purchased 10 Acres of land at Nellimera Industrial Area, Vizianagaram District through registered sale deed from APIC in the year 1995 for setting up of Industry. The APIC issued cancellation orders for not utilizing the plot and Company filed a petition against the orders in The Court of the Principal Junior Civil Judge at Vizianagaram and the matter is in the Court of Law.

**Notes forming part of the Financial Statements for the year ended 31st March, 2024**

**2(a) Property, Plant and Equipment**

Sl.no	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31 March 2023	Additions	Deletions	As at 31 March 2024	Upto 31 March 2023	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
1	Land: Freehold <sup>(*)</sup>	1,014.82	-	-	1,014.82	-	-	-	-	1,014.82	1,014.82
2	Buildings: Factory Non Factory	49,984.48	-	-	49,984.48	23,011.27	1,304.57	-	24,315.84	25,668.64	26,973.21
3	Plant & Machinery	1,905.96	6,257.52	-	1,905.96	911.04	26.44	-	937.48	968.48	994.91
4	Electrical Installations	32,631.06	266.75	-	38,888.58	25,416.00	292.37	-	25,708.37	13,180.21	7,215.06
5	Furniture & Fixtures	6,631.55	10.47	-	6,898.30	6,001.03	43.92	-	6,044.94	853.36	630.52
6	Office equipment	3,250.49	5.43	-	3,260.96	3,074.80	1.50	-	3,076.30	184.66	175.69
7	Vehicles	1,628.72	-	-	1,634.15	1,420.82	17.78	-	1,438.60	195.55	207.90
8	Cycle	900.53	-	-	900.53	478.65	96.46	-	575.11	325.42	421.88
9	Data Processing Equipment	1.71	127.88	-	3,545.99	3,219.98	27.35	-	3,247.33	298.66	198.13
10	Cylinders	81,728.27	8,394.30	-	90,122.57	67,442.12	2,909.67	-	70,351.78	19,770.79	14,286.15
	<b>Total</b>	<b>183,095.69</b>	<b>15,062.35</b>	<b>-</b>	<b>198,158.04</b>	<b>130,977.32</b>	<b>4,720.05</b>	<b>-</b>	<b>135,697.37</b>	<b>62,460.67</b>	<b>52,118.37</b>

(\*) The Company purchased 10 Acres of land at Nellimera Industrial Area, Vizianagaram District through registered sale deed from APIC in the year 1995 for setting up of Industry. The APIC issued cancellation orders for not utilizing the plot and Company filed a petition against the orders in The Court of the Principal Junior Civil Judge at Vizianagaram and the matter is in the Court of Law.



**Notes forming part of the Financial Statements for the year ended 31st March, 2024.**  
**2b Right of Use 2023-2024** (All amounts in thousands, unless otherwise stated)

Particulars	GROSS BLOCK			AMORTISATION			As at 31 March 2024	As at 31 March 2023	
	As at 31 March 2023	Additions	Deletions	As at 31 March 2023	For the year	On Deletions			Lease modification adjustment
Right of Use asset	11,579.25	-	-	11,579.25	556.88	-	5,476.64	6,102.61	6,774.86
<b>Total</b>	<b>11,579.25</b>	<b>-</b>	<b>-</b>	<b>11,579.25</b>	<b>56.88</b>	<b>-</b>	<b>5,476.64</b>	<b>6,102.61</b>	<b>6,774.86</b>
<b>Right of Use 2022-2023</b>									
Particulars	GROSS BLOCK			AMORTISATION			As at 31 March 2023	As at 31 March 2022	
	As at 31 March 2022	Additions	Deletions	As at 31 March 2023	For the year	On Deletions			Upto 31 March 2023
Right of Use asset	11,579.25	-	-	11,579.25	556.69	-	4,804.39	7,331.55	7,331.55
<b>Total</b>	<b>11,579.25</b>	<b>-</b>	<b>-</b>	<b>11,579.25</b>	<b>556.69</b>	<b>-</b>	<b>4,804.39</b>	<b>6,773.86</b>	<b>7,331.55</b>
<b>3 Capital Work-in-progress as at 31st March 2024</b>									
Ageing Schedule As at 31st March, 2024									
Particulars							Total		
Projects in Progress - Plant & Machinery 33kgs LOT				Less than 1 year			2-3 years		
Capital Work-in-progress as at 31st March 2023				216.00			216		
Particulars				Less than 1 year			Total		
Projects in Progress							-		
<b>4 Investment Property</b>									
Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 31 March 2023	Additions	Deletions	As at 31 March 2024	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
Mumbai Godown	1,124.74	-	-	1,124.74	17.29	-	481.88	642.86	660.15
<b>Total</b>	<b>1,124.74</b>	<b>-</b>	<b>-</b>	<b>1,124.74</b>	<b>17.29</b>	<b>-</b>	<b>481.88</b>	<b>642.86</b>	<b>660.15</b>
<b>Income from Investment property</b>									
Rental Income from Investment property	FY 2023-24								
Less: Direct operating expenses	594.00								
Profit Before Depreciation	14.97								
Less: Depreciation for the year	525.03								
Profit from investment property	17.29								
	FY 2022-23								
	540.00								
	14.97								
	525.03								
	17.29								
	507.74								
Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 31 March 2022	Additions	Deletions	As at 31 March 2023	For the year	On Deletions	Upto 31 March 2023	As at 31 March 2023	As at 31 March 2022
Mumbai Godown	1,124.74	-	-	1,124.74	17.29	-	464.59	660.15	677.39
<b>Total</b>	<b>1,124.74</b>	<b>-</b>	<b>-</b>	<b>1,124.74</b>	<b>17.29</b>	<b>-</b>	<b>464.59</b>	<b>660.15</b>	<b>677.39</b>
<b>5 Other Intangible Assets:</b>									
Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 31 March 2023	Additions	Deletions	As at 31 March 2024	For the year	On Deletions	Upto 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer Software	8.55	-	-	8.55	-	8.12	0.43	0.43	0.43
<b>Total</b>	<b>8.55</b>	<b>-</b>	<b>-</b>	<b>8.55</b>	<b>-</b>	<b>8.12</b>	<b>0.43</b>	<b>0.43</b>	<b>0.43</b>
<b>Other Intangible Assets:</b>									
Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 31 March 2022	Additions	Deletions	As at 31 March 2023	For the year	On Deletions	Upto 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer Software	8.55	-	-	8.55	-	8.12	0.43	0.43	0.43
<b>Total</b>	<b>8.55</b>	<b>-</b>	<b>-</b>	<b>8.55</b>	<b>-</b>	<b>8.12</b>	<b>0.43</b>	<b>0.43</b>	<b>0.43</b>

**KABSONS INDUSTRIES LIMITED**


<b>Notes forming part of the Financial Statements for the year ended 31st March, 2024</b> (All amounts in thousands, unless otherwise stated)							
<b>Particulars</b>							
		<b>Year ended 31st March 2024</b>		<b>Year ended 31st March 2023</b>			
<b>Investment in Mutual Fund</b>							
ABSL Balanced '95 Fund - Growth		851.34		660.98			
ABSL Digital India Fund - Growth		-		554.57			
ABSL India GenNext Fund - Growth		3,078.56		2,283.60			
ABSL Focused Equity Fund - Growth		1,046.43		764.20			
ABSL Multi-Cap Fund - Growth		1,415.66		1,018.49			
Axis Focused 25 Fund - Growth		2,291.93		1,702.38			
HDFC Hybrid Equity Fund - Growth		2,023.06		1,646.69			
HDFC Large and Mid Cap Fund - Growth		1,555.13		1,038.14			
HDFC Small Cap Fund - Growth		985.87		667.37			
ICICI Pru Equity & Debt Fund - Growth		4,555.06		3,349.81			
ICICI Prudential Large & Mid Cap Fund - Growth		1,553.76		1,064.17			
ICICI Prudential Technology Fund - Growth		-		1,081.97			
ICICI Pru Bluechip Fund - Growth		1,176.74		826.56			
Kotak Select Focused Fund - Growth		2,212.21		1,641.89			
Nippon India Multicap Fund - Growth		1,395.64		929.44			
PGIM India Flexi Cap Fund - Growth		-		464.65			
Sundaram Multi Cap Fund - Growth		1,099.05		787.10			
Tata Digital India Fund - Growth		-		540.18			
Tata Equity P/E Fund - Growth		4,179.04		2,943.46			
Tata Flexicap Fund - Growth		673.05		497.44			
		<b>30,092.55</b>		<b>24,463.10</b>			
<b>Aggregate amount of quoted investments</b>		<b>Rs.15,749.70</b>		<b>Rs.18,949.54</b>			
<b>market value of quoted investments</b>		<b>Rs.30,092.57</b>		<b>Rs.24,463.10</b>			
<b>Aggregate amount of unquoted investments</b>		<b>- Rs.Nil</b>		<b>- Rs.Nil</b>			
<b>Aggregate provision made for diminution in value of investments</b>		<b>- Rs.Nil</b>		<b>- Rs.Nil</b>			
<b>7</b>	<b>Other financial assets</b>						
	Sundry Deposits - unsecured considered good	640.28		1,065.58			
	Other bank Balances - Term Deposits with Original maturity of more than 12 months						
	- Margin money deposits	-		6,748.65			
	- In Term Deposits	-		400.00			
	<b>Total</b>	<b>640.28</b>		<b>8,214.23</b>			
<b>8</b>	<b>Other non-current assets</b>						
	Prepaid Expenses	616.69		348.32			
	Prepaid Rent	76.37		136.13			
	<b>Total</b>	<b>693.06</b>		<b>484.45</b>			
<b>9</b>	<b>Inventories</b>						
	a. Stock-in-trade (lower of cost and Net realisable value)	4,579.22		522.60			
	b. Stores and Packing materials	-		78.00			
	c. Scrap	-		38.62			
	<b>Total</b>	<b>4,579.22</b>		<b>639.22</b>			
<b>10</b>	<b>Trade Receivables</b>						
	Trade Receivables Considered good - Unsecured	6,315.00		2,748.51			
	Trade Receivables Considered good - which has significant increase in credit risk	-		-			
	Trade Receivables- Credit impaired	235.86		-			
		-		-			
	Less: Allowance for bad and doubtful debts - Expected Credit Loss	(235.86)		-			
	<b>Total</b>	<b>6,315.00</b>		<b>2,748.51</b>			
<b>Trade Receivables ageing schedule as at 31st March 2024</b>							
<b>Particulars</b>		<b>Outstanding for following periods from due date of payment</b>					<b>Total in Rs.</b>
		<b>Less than 6 months</b>	<b>6 Months to 1 year</b>	<b>1 year to 2years</b>	<b>2 years to 3years</b>	<b>More than 3 years</b>	
(i) Undisputed Trade receivables — considered good		6,231.30	34.51	29.65	-	19.54	6,315.00
(ii) Undisputed Trade Receivables — which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired		-	-	-	-	235.86	235.86
(iv) Disputed Trade Receivables — considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired		-	-	-	-	-	-
Less: Allowance for bad and doubtful debts - Expected Credit Loss		-		-		(235.86)	(235.86)
<b>TOTAL:</b>		<b>6,231.30</b>	<b>34.51</b>	<b>29.65</b>	<b>-</b>	<b>19.54</b>	<b>6,315.00</b>

**KABSONS INDUSTRIES LIMITED**

**Trade Receivables ageing schedule as at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment						Total in Rs.
	Less than 6 months	6 Months to year	1 year to 2 years	2 years to 3 years	More than 3 years		
(i) Undisputed Trade receivables — considered good	2,404.59	28.98	56.48	86.12	172.34	2,748.51	
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	
<b>TOTAL:</b>	<b>2,404.59</b>	<b>28.98</b>	<b>56.48</b>	<b>86.12</b>	<b>172.34</b>	<b>2,748.51</b>	

Particulars	As per IND AS As at	
	31st March 2024	31st March 2023
<b>11 Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	9,375.90	2,340.35
Cash on hand	23.63	30.09
<b>Total</b>	<b>9,399.53</b>	<b>2,370.44</b>
<b>12 Other Bank Balances</b>		
Balances with banks		
- In term deposits (with original maturity of more than 3 months and less than 12 months)	4,164.70	14,599.24
- In Margin money deposits (with maturity less than 12 months)*	6,780.28	30.13
- Share Application Money Refund A/c.	22.08	22.08
<b>Total</b>	<b>10,967.06</b>	<b>14,651.44</b>
<b>13 Loans ( Unsecured, considered good)</b>		
Recoverable from staff	206.00	6.00
<b>Total</b>	<b>206.00</b>	<b>6.00</b>
<b>14 Other current assets ( Unsecured, considered good)</b>		
Cylinder Deposits	403.60	403.60
Interest accrued but not due	692.73	674.19
<b>Total</b>	<b>1,096.33</b>	<b>1,077.79</b>
<b>15 Other financial assets ( Unsecured, considered good)</b>		
Vendor advance	10,597.66	4,039.78
Balance with Govt. Dept. _ Input credit	20,764.66	14,677.72
Prepaid Expenses	502.30	673.16
Prepaid Rent	39.84	-
<b>Total</b>	<b>31,904.46</b>	<b>19,390.66</b>
<b>16 Equity Share capital</b>		
<b>a.Authorised:</b>		
1,80,00,000 Equity Shares of Rs.10/- each	180,000.00	180,000.00
<b>b.Issued, subscribed and fully paid:</b>		
1,74,63,000 Equity Shares of Rs.10/- each	174,630.00	174,630.00

**a. Reconciliation of Equity Shares outstanding at the end of the reporting period**

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the quarter	17,463,000	174,630.00	17,463	174,630.00
Add: Shares issued during the quarter	-	-	-	-
Shares outstanding at the end of the quarter	<b>17,463,000</b>	<b>174,630.00</b>	<b>17,463</b>	<b>174,630.00</b>

**b. Terms/ rights attached to equity shares**

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividends recommended by the Board of Directors if any, are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential claims, in proportion to the number of shares held.

**c. List of shareholders holding more than 5% of total number of shares in the company**

Name of the Share Holder	As at 31st March 2024		As at 31st March 2023	
	Number of Shares held	% holding	Number of Shares held	% holding
<b>Equity Shares of Rs.10/- each:</b>				
Mr.Rajiv Kabra	9,119,500	52.22	9,117,400	52.21
M/s.Lata Engineering Company Pvt. Ltd.	1,011,000	5.79	1,011,000	5.79

# KABSONS INDUSTRIES LIMITED



## d.Shareholding of Promoters

Shares held by promoters at the end of the year

S.No	Promoter name	No. of Shares**	%of total shares	% Change during the year ended 31.03.2024
1	RAJIV KABRA	9119500	52.22	Nil
2	KABRA SATISH	81000	0.46	Nil
3	KAVITA KABRA	20400	0.12	Nil
4	RUCHIRA KABRA	500	0	Nil
5	LATA ENGINEERING COMPANY RIVATE LIMITED	1011000	5.79	Nil
6	KABSONS GAS EQUIPMENT PRIVATE LIMITED	738452	4.23	Nil
7	IDEAL ENGINEERS HYDERABAD PRIVATE LIMITED	531800	3.05	Nil
8	PKL LIMITED	200000	1.15	Nil
9	KABSONS TECHNOLOGIES PRIVATE LIMITED	140901	0.81	0.07
10	PRAKUN TECHNOLOGIES PRIVATE LIMITED	200000	0.11	Nil
11	GASOLEC APPLIANCEE PRIVATE LIMITED	16600	0.1	Nil

Particulars	As per IND AS As at	
	31st March 2024	31st March 2023
<b>17 i) Other Financial liabilities</b>		
a) Security Deposits	1,060.31	2,397.55
b) Distributor/Dealership Deposit	2,500.00	2,500.00
<b>Total</b>	<b>3,560.31</b>	<b>4,897.55</b>
<b>ia) Lease Liability - Non current</b>		
Lease Liability	3,488.29	4,023.31
<b>Total</b>	<b>3,488.29</b>	<b>4,023.31</b>
<b>18 Provisions</b>		
Provision for employee benefits		
Gratuity	1,416.05	1,057.20
<b>Total</b>	<b>1,416.05</b>	<b>1,057.20</b>
<b>19 Other non-current liabilities</b>		
Rent received in advance	106.35	69.22
<b>Total</b>	<b>106.35</b>	<b>69.22</b>
<b>20 Trade payables</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises	4,492.01	3,143.73
Total Outstanding dues of creditors other than Micro Enterprises		
<b>Total</b>	<b>4,492.01</b>	<b>3,143.73</b>

### As at 31st March 2024

Particulars	Outstanding for following period from due date of			Total Rs.
	Less than 1 year	2 to 3 years	More than 3 years	
MSME	-	-	-	-
Others	4,492.01	-	-	4,492.01
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
<b>TOTAL:</b>	<b>4,492.01</b>	<b>-</b>	<b>-</b>	<b>4,492.01</b>

### As at 31st March 2023

Particulars	Outstanding for following period from due date of			Total Rs.
	Less than 1 year	2 to 3 years	More than 3 years	
MSME	-	-	-	-
Others	2,813.41	233.29	97.04	3,143.73
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
<b>TOTAL:</b>	<b>2,813.41</b>	<b>233.29</b>	<b>97.04</b>	<b>3,143.73</b>

## 21 Other financial liabilities

Interest accrued and due on Distributor/Dealer deposits	-	1,273.78
Cylinder Deposits from Consumers	11,217.64	10,337.41
Dues to Dealers	28,099.54	21,076.87
Dues to Staff	888.80	798.97
Other payables	1,145.63	3,436.59
Sundry Deposits ( Current )	4,123.75	3,086.50
Lease Liability	341.80	275.83
<b>Total</b>	<b>45,817.16</b>	<b>40,285.95</b>



**KABSONS INDUSTRIES LIMITED**


Notes forming part of the Financial Statements for the year ended 31st March, 2024		(All amounts in thousands, unless otherwise stated)	
Particulars	As per IND AS As at		
	31st March 2024	31st March 2023	
<b>22 Other current liabilities</b>			
Investor Education and protection fund - Unpaid application money received for allotment of shares and due for refund	22.55	22.55	
Statutory dues	917.05	654.94	
Rent Received in Advance	163.32	334.95	
<b>Total</b>	<b><u>1,102.92</u></b>	<b><u>1,012.43</u></b>	
<b>23 Provisions</b>			
Provision for Employee Benefits:			
(a) Earned Leave Encashment	538.00	476.69	
(b) Bonus	210.01	196.38	
<b>Total</b>	<b><u>748.01</u></b>	<b><u>673.06</u></b>	
Particulars	Current Year	Previous Year	
<b>24 Revenue from operations</b>			
<b>Sale of products</b>			
Sale of gas (trading item)	226,319.91	138,766.70	
Sale of LOT Adaptors	17.71	-	
Sale of Rubber Hose	7.64	-	
<b>Other operating revenues</b>			
Gas filling charges	17,676.81	14,951.75	
Rental/ hire charges	16,028.05	6,964.75	
Plants Lease	1,020.00	3,650.60	
Rent	10,796.06	5,622.09	
Freight Charges collected	39.08	-	
P&M Repairing Charges	283.10	-	
<b>Total</b>	<b><u>272,188.35</u></b>	<b><u>169,955.88</u></b>	
<b>25 Other Income</b>			
Interest Income			
- Unwinding of interest on Rental deposit made	17.02	15.47	
- others	1,525.80	1,274.73	
Other non-operating revenue			
Excess Provision written back	56.51	30.49	
Miscellaneous income	2,190.31	2,230.09	
Gain on Redemption of Mutual Funds	26.63	(176.80)	
Fair Value Gain on Mutual Funds	8,829.29	-	
<b>Total</b>	<b><u>12,645.55</u></b>	<b><u>3,373.98</u></b>	
<b>26 Purchases of Stock-in-Trade</b>			
Gas	225,857.67	136,536.00	
Lot Valves	58.09	-	
LPG Rubber Hose	5.06	-	
S.C.Valve 22 MM	26.77	-	
<b>TOTAL</b>	<b><u>225,947.59</u></b>	<b><u>136,536.00</u></b>	
<b>27 Changes in inventories of Stock-in-trade</b>			
<b>Opening Stock:</b>			
Stock-in-trade - LPG Gas	522.60	2,028.24	
Stock-in-trade - LOT Valves	-	-	
Stock-in-trade - LOT Adaptors	-	-	
Stock-in-trade - LPG Rubber Hose	-	-	
	<u>522.60</u>	<u>2,028.24</u>	
<b>Less: LPG Gas w/off.</b>	<u>0.16</u>	<u>-</u>	
	<b><u>522.44</u></b>	<b><u>2,028.24</u></b>	
<b>Less: Closing Stock:</b>			
Stock-in-trade - LPG Gas	4,432.46	522.60	
Stock-in-trade - LOT Valves	75.50	-	
Stock-in-trade - LOT Adaptors	44.15	-	
Stock-in-trade - LPG Rubber Hose	0.34	-	
Stock-in-trade - S.C.Valve 22 MM	26.77	-	
	<u>4,579.22</u>	<u>522.60</u>	
<b>(Increase)/ Decrease in stocks</b>	<b><u>(4,056.78)</u></b>	<b><u>1,505.64</u></b>	
<b>28 Employee Benefits Expense</b>			
Salaries, Wages and allowances	11,642.38	9,282.63	
Contribution to provident and other funds	524.93	377.31	
Gratuity	358.85	132.45	
Earned Leave Encashment	69.42	56.16	
Staff welfare expenses	259.75	170.86	
<b>Total</b>	<b><u>12,855.33</u></b>	<b><u>10,019.41</u></b>	

Notes forming part of the Financial Statements for the year ended 31st March, 2024 (All amounts in thousands, unless otherwise stated)

Particulars	Current Year	Previous Year
<b>29 Finance Costs</b>		
Interest expense:		
Unwinding of interest on Deposits received against leased plants	200.37	363.63
Interest Expense on Lease Liability	408.43	439.14
<b>Total</b>	<u><b>608.80</b></u>	<u><b>802.78</b></u>
<b>30 Other Expenses</b>		
Consumption of stores and spares	436.29	323.13
Power Charges of bottling plants	1,256.99	889.80
Rent & Water Charges	232.63	133.91
Freight charges paid	1,119.92	-
Repairs & Maintenance		
i) Plant & Machinery	1,500.54	1,342.59
ii) Buildings	1,453.18	344.62
iii) Other Assets	129.05	108.62
Insurance	209.78	217.22
Rates & Taxes	3,252.97	1,222.71
Gas Filling Charges	-	26.33
Printing & Stationary	58.51	44.27
Postage & Telephones	50.39	42.47
Travelling & Conveyance	659.83	986.77
Service Charges	3,544.24	2,628.01
Legal & Professional Charges	447.18	1,281.50
Listing Fees	325.00	300.00
Payment to Auditors		
: As Auditors	75.00	50.00
: For Tax Audit	25.00	20.00
: For Certification	30.00	40.00
Rent Paid to MIDC ( Sub letting charges)	120.68	210.47
General Expenses	423.92	388.88
Expected credit loss	235.86	-
Miscellaneous expenses	1,279.58	658.45
	135.57	-
<b>Total</b>	<u><b>17,002.09</b></u>	<u><b>11,259.75</b></u>
<b>31 Exceptional Items</b>		
Credit balances written back	2,256.17	0.01
Stock of LP Gas written off	(0.16)	-
Stores and Packing materials written off	(78.00)	-
Scrap written off	(38.62)	-
Debit balances wribben back	(555.36)	-
<b>Total</b>	<u><b>1,584.03</b></u>	<u><b>0.01</b></u>

## KABSONS INDUSTRIES LIMITED



### Explanatory Notes & Other Disclosures

32. a) Contingent Liabilities not provided for in respect of:

S.No	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Bank Guarantee	6,780.28	6,344.78
(ii)	Claims made by dealers/distributors not acknowledged by the Company	594.32	594.32

b) (i) Estimated amount of contracts to be executed on capital account–NIL

**33.1 Dealers / Distributorship Deposits :** The company has been putting efforts to contact the dealers and distributors to repay these long outstanding amounts, but no proper responses have been received from the parties. In view of this the company decided not to provide interest against these deposits. The management will take appropriate action to deal with these deposits in the financial year 2024-25.

**33.2 Disclosures in accordance with Companies (Indian Accounting Standards) Rules, 2015 notified by the Central Government:**

#### 33.2.1 Capital Management

The company's capital management is intended to create value for shareholders on meeting of long-term and short-term goals of the company.

The company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans. The funding requirements are met through equity and other long-term/short term borrowings.

The company's policy is aimed at combination of short term and long-term borrowings. The company monitors the capital structure and raises the funds depending on the requirements.

**Gearing Ratio:** at present the Company has no debt other than trade payable and other current Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
(a) Debt	0	0
(b) Cash & Cash Equivalents	9,399.58	2,370.44
(c) Net Debt (a) - (b)	(9,399.58)	(2,370.44)
(d) Total Equity	1,18,752.30	92,695.28
Net debt to equity ratio (c)/(d)	-7.91%	-2.55%

#### 33.2.2 Income Taxes

##### i. Current tax:

No provision for tax is required due to unabsorbed depreciation. MAT provisions u/s 115JB are not applicable since the company opted for section 115BAA Concessional rates of Income Tax.

##### ii. Deferred tax:

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognized considering the probability of availability of taxable profits in the near future to recover the deferred tax asset.

##### iii Reconciliation of Tax Expense and Accounting profit multiplied by Applicable tax rate

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		Current Year (Rs.)	Previous Year (Rs.)
(i)	<b>Tax expense recognized in Statement of Profit and loss</b>		
	Current Tax (under MAT)	Nil	1,234.32
	Deferred Tax (including MAT Credit Entitlement)	Nil	Nil
	Earlier Year Tax Paid	5.43	15.49
	<b>Total</b>	<b>5.43</b>	<b>1,249.81</b>
(ii)	<b>Effective tax Reconciliation</b>		
	(a) Profit/(loss) before tax	26,062.46	7,912.31
	(b) Applicable tax rate (current year under MAT)	25.168%	15.6%
	(c) Tax expense on Net profit (a*b)	6,559.40	1,234.32
	(d) Increase/(decrease) in tax expenses on account of:		
	- Expenses not allowed under income tax	-	-
	- Unabsorbed depreciation (can be set off against Taxable income) as per Income tax Act,1961	(6,559.40)	-
	- Reversal of deferred tax asset on unused tax losses not recognized in books	-	-
	- Earlier year Taxes paid in current year	5.43	15.49
	Total (d)	5.43	15.49
(e)	Tax Expense as per Statement of Profit and loss (c+d)	5.43	1,249.81

**33.2.3 Leases**

- (a) **Upfront premium paid in respect of land taken on lease for bottling plants located at various locations in India is amortised to the statement of profit and loss over the lease period on a straight line basis. Details of leases arrangements are given below**
- (b) **Disclosures in respect of godown and plants at various locations given on lease**

Minimum Lease Payments receivable under operating lease in aggregate for the periods:	As at	
	31-03-2024	31-03-2023
Not later than one year	8,881.52	9,901.52
More than one year and less than two years	5,645.11	11,371.03

**General description of the Company's significant Leasing arrangements:**

The company has given on lease, various assets of its LPG Bottling Plants situated at:

- 1) Plot No.37, Belur Industrial Estate, Dist. Dharwad, Karnataka.
- 2) Sector.11, Khargar Village, Taluka: PanvelDist: Raigad, Maharashtra; and
- 3) Plot No. B-3, Waluj Industrial Area, MIDC, Aurangabad, Maharashtra.

(c)The Company has adopted Ind AS 116 'Leases' and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets.

**As a Lessor:**

**The company gives the premises under operating leases. These leases have an average primary period of 3 to 5 years which is fixed and cannot be terminated without the**

**KABSONS INDUSTRIES LIMITED**


consent of both the parties. No purchase options are given to the lessees during or at the end of the lease term. Any contingent rent is not considered as part of minimum lease payment as they are not reasonably measured at the commencement of the lease and recognized in the statement of profit and loss as and when received.

Particulars	For the year ended 31 <sup>st</sup> March , 2024 <sup>31<sup>st</sup></sup>	For the year ended March , 2023
Operating lease rentals	11,479.32	9,272.69

**As a Lessee:**

S.No	Particulars	FY 2023-24	FY 2022-23
(i)	Opening Lease liability	4,299.14	4,585.84
(ii)	Interest Expense on Lease Liability	408.43	439.14
(iii)	Lease payments	762.11	725.84
(iv)	Lease modification	115.37	-
(v)	Closing lease liability	3,830.09	4,299.14

**33.2.4 Post-Employment Benefits**
**a. Contributions to Defined Contribution Plans**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Contribution to Provident and other funds	422.88	288.87
Contribution to Employee State Insurance	102.05	88.47
<b>Total</b>	<b>524.98</b>	<b>377.31</b>

**b. Defined Benefit Plans**
**(i) Gratuity & Leave Encashment**

Liabilities towards gratuity and leave encashment are provided for in accordance with the provisions of Payment of Gratuity Act 1972, Factories Act, 1948 and Shops and Establishment Act, 1988 respectively.

**33.2.5 Related Party Disclosures**

	Name of Related Parties	Nature of Relationship
a.	PKL Ltd	Enterprises over which Executive director or their relatives have control/ significant influence
b.	Ideal Engineers Hyderabad P. Ltd	
c.	Kabsons Gas Equipment P. Ltd	
d.	Prakun equipments P. Ltd	
e.	Mr. Satish Kabra	Relative of Key Managerial Personnel
f.	Mr. Rajiv Kabra (Chairman and Executive Director)	Key Managerial Personnel
g.	Mr. Krishna Murthy Motamarri (CFO)	
h.	Mr. Nagaraju Musinam (Company Secretary)	
i.	Mr. Venkata Subba Rao Pinapati (Independent Director)	
j.	Mr. Mangal Rathi (Independent Director)	
k.	Ms Riha Kabra	
l.	Lata Engineering Company Private Ltd	Significant Shareholder
m.	Kabsons Technologies P. Ltd	Subsidiary Company of Significant Shareholder
n.	SK leasing services	Propriety concerns owned by relatives of Managing director
o.	AP leasing services	

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**(i) Transaction with key managerial personnel:**

Nature of transactions	Current Year	Previous Year
<b>Remuneration</b>		
- MKrishna Murthy (CFO)	2,492.63	2,340.00
- Nagaraju Musinam (CS)	154.00	336.00
- Madhu Thokala (CS)	155.00	
<b>Sitting fees</b>		
- P.V.Subba Rao (Independent Director)	10.00	20.00
- Sumit Jaiswal (Independent Director)	10.00	—
- Mangal Rathi (Independent Director)	20.00	20.00
- Riha Kabra (Director)	20.00	15.00

**(ii) Transactions with Significant Shareholder- Lata Engineering Company Private Limited**

Nature of transactions	Current Year	Previous Year
<b>Cylinder deposit:</b>		
Outstanding at the beginning of the year	120.00	—
Less: Written off during the year	6.00	—
Outstanding at the end of the year	—	—
<b>Balance in current account (payable) / receivable</b>	120.00	—

**(iii) Transactions with Enterprises over which Executive Director and his relatives have control/significant influence- PKL Limited**

Nature of transactions	Current Year	Previous Year
Godown rent received	594.00	540.00
Rental/hire charges paid	476.80	—
Purchase of gas	7,098.73	39.98
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	403.60	403.60
Less: Written off during the year against old deposits	—	—
Add: Paid for the Cylinders taken during the Year	—	—
Outstanding at the end of the year	403.60	403.60
<b>Balance in current account (payable) / receivable</b>	<b>(47.31)</b>	<b>46.63</b>

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(iv) Transactions with Enterprises over which relatives of Executive Directors have control/significant influence- Ideal Engineers Private Limited

Nature of transactions	Current Year	Previous Year
Gas filling charges paid	-	1.37
Annual maintenance charges	-	25.00
Purchase of Compressor	10.00	
<b>Balance in current account (payable) / receivable</b>	<b>NIL</b>	<b>NIL</b>

(v) Transactions with Enterprises over which relatives of Executive Directors have control/significant influence- Kabsons Gas Equipment Private Limited

Transactions – Nil

Nature of transactions	Current Year	Previous Year
<b>Balance in current account (payable) / receivable</b>	<b>NIL</b>	<b>NIL</b>

(vi) Transactions with Enterprises over which relatives of Executive Directors have control/significant influence- Prakun equipments Pvt. Ltd

Cylinder deposit paid:	Current Year	Previous Year
Outstanding at the beginning of the year	—	—
Less: Written off during the year	—	—
Outstanding at the end of the year	Nil	Nil

(vii) Transactions with proprietary concerns in which relatives of executive directors are sole proprietors-Sk leasing services

Cylinder deposit paid:	Current Year	Previous Year
Outstanding at the beginning of the year	—	—
Less: Written off during the year	—	—
Outstanding at the end of the year	Nil	Nil

(viii) Transactions with proprietary concerns in which relatives of executive directors are sole proprietors-AP leasing services

Cylinder deposit paid:	Current Year	Previous Year
Outstanding at the beginning of the year	—	—
Less: Written off during the year	—	—
Outstanding at the end of the year	Nil	Nil

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### 33.2.6 Financial Instruments

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2024 is as follows:

<b>Particulars</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>Financial Assets :</b>				
-Investments	30,092.55	-	-	30,092.55
-Trade Receivables	-	-	6315.00	6,315.00
- Cash and Cash Equivalents	-	-	9,399.58	9,399.58
-Bank Balances other than Cash and Cash Equivalents	-	-	10,967.06	10,967.06
-Loans	-	-	206.00	206.00
-Other Financial Assets	-	-	1,736.61	1,736.61
<b>Total Financial Assets</b>	<b>30,092.55</b>	<b>-</b>	<b>28,624.20</b>	<b>58,716.75</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	4,492.00	4,492.00
- Other Financial Liabilities	-	-	52,865.77	52,865.77
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>57,357.77</b>	<b>57,357.77</b>

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2023 is as follows:

<b>Particulars</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Amortised cost</b>	<b>Total</b>
<b>Financial Assets :</b>				
-Investments	24,463.09	-	-	24,463.09
-Trade Receivables	-	-	2,748.51	2,748.51
- Cash and Cash Equivalents	-	-	2,370.44	2,370.44
-Bank Balances other than Cash and Cash Equivalents	-	-	14,651.44	14,651.44
-Loans	-	-	6.00	6.00
-Other Financial Assets	-	-	9,292.02	9,292.02
<b>Total Financial Assets</b>	<b>24,463.09</b>	<b>-</b>	<b>29,068.42</b>	<b>53,531.51</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	3,143.73	3,143.73
- Other Financial Liabilities	-	-	49,206.82	49,206.82
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>52,350.58</b>	<b>52,350.55</b>



## KABSONS INDUSTRIES LIMITED



The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3 as described below.

**Level 1 – Quoted prices in an active market:**

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

**Level 2 – Valuation techniques with observable inputs:**

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). There are no Financial Instruments to be classified under this category.

**Level 3 – Valuation techniques with significant unobservable inputs:**

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. There are no Financial Instruments to be classified under this category.

### 33.2.7 Financial Risk Management Objectives and Policies

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company has a risk management policy which not only covers the foreign exchange risks, but also other risks associated with financial assets and liabilities such as interest rate risks and credit risks. The risk management framework aims to:

1. Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the company's business plan.
2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives policies and processes for the management of these risks.

**(i) Market Risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk currency rate risk, interest rate risk and other price risks such as equity risk. Financial instruments affected by market risk include deposits and mutual funds.

**a. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. Since the Company has no interest-bearing debts, exposure to interest rate risk is minimal.

**b. Foreign Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has no transactional currency exposures arising from goods supplied or received that are denominated in a currency other than the functional currency. Hence exposure to foreign currency risk is Nil.

**c. Other price risk**

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

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The Company is exposed to price risk arising mainly from investments in Mutual Funds recognized at FVTPL.

Sensitivity analysis of 1% change in price of security as on reporting date

Particulars	Impact on Profit & Loss		Impact on OCI	
	2023-24	2022-23	2023-24	2022-23
Mutual Fund (1% Movement)				
1% increase	300.96	244.63	Nil	Nil
1% decrease	(300.96)	(2,44.63)	Nil	Nil

### (ii) Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity. Customer credit risk is controlled by analysis of credit limit and credit worthiness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivable from customer are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivable.

### (iii) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Total	On Demand	< 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2024</b>					
Other financial liabilities – Non Current	7,048.61	-	-	7,048.61	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	4,492.00	Nil	4,492.00	Nil	Nil
Other financial liabilities – Current	45,817.16	39,317.18	6,499.98	Nil	Nil
<b>Total</b>	<b>57,357.77</b>	<b>393,17.18</b>	<b>10,991.98</b>	<b>7,048,61</b>	<b>Nil</b>
<b>As at 31 March 2023</b>					
Other financial liabilities – Non Current	8,920.87	-	-	8,920.87	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	3,143.73	Nil	3,143.73	Nil	Nil
Other financial liabilities – Current	40,285.95	31,414.28	8,871.67	Nil	Nil
<b>Total</b>	<b>52,350.55</b>	<b>31,414.28</b>	<b>12,015.40</b>	<b>8,920.87</b>	<b>Nil</b>

**KABSONS INDUSTRIES LIMITED****33.2.8 Operating Segments**

The Company operates only in one business segment namely, sale of gas and hence the requirements of Ind AS - 108 are not applicable.

**(a) Information about Products and Services**

Product / Services	Revenues
<b>Products</b>	
Sale of gas (trading item)	2,26,319.91
Sale of LOT Adaptors (trading item)	17.71
Sale of Rubber Hose (trading item)	7.64
<b>Services</b>	
Gas filling charges	17,676.81
Rental / hire charges	16,028.05
Plant Lease	1,020.00
Rent	10,796.06
Others	322.18
<b>TOTAL :</b>	<b>2,72,188.35</b>

**(b) Information about geographical areas**

Geographical Location	Revenues	Total Assets
(A) Within India	2,72,188.35	1,79,483.40
(B) Outside India	Nil	Nil
<b>TOTAL</b>	<b>2,72,188.35</b>	<b>1,79,483.40</b>

**33.2.9 Earnings per Share**

Particulars	Current Year	Previous Year
(a) Profit/(loss) after tax (in Rs.)	26,057.03	7,896.82
(b) Number of shares outstanding (face value of Rs. 10 each)	17,463.00	17,463.00
(c) Earnings Per Share (in Rs.)	1.49	0.45

**33.3 Dues to Micro, Small and Medium Enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006 and in accordance with the notification issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined in the said Act. The company is in the process of compiling the relevant information from its suppliers about their coverage under the said Act and hence required disclosures made to the extent available.

The following are outstanding balances as at 31.03.2024:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year (All are within agreed period not due for payment)	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL

## KABSONS INDUSTRIES LIMITED



The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

### 34.4 Additional Regulatory Information:

- i. Title deeds of immovable properties are held in the name of the Company
- ii. The company has not fair valued any of its investment property.
- iii. No item of Property, Plant and Equipment and Intangible assets has been revalued during the year.
- iv. The Company has not granted any loans or Advances in the nature of Loans to Promoters, Directors, KMPs and other related parties
- v. CWIP ageing provided in Note 3
- vi. The Company has no Intangible assets under development
- vii. The Company does not hold any Benami property. No proceeding has been initiated or pending against the company for holding any Benami Property.
- viii. The company has no borrowings from banks or FI on basis of security of current assets.
- ix. The Company has not been declared as a willful defaulter by any Bank or Financial Institutions or other lenders.
- x. Relation with struck off companies - The company has no transactions with a company struck off u/s 248 of Companies act 2013 or section 560 of Companies Act 1956.
- xi. Registration of charges or satisfaction with register of companies- There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- xii. The company has no subsidiaries - Compliance with no. of layers of companies is not applicable
- xiii. Ratios

S.no	Particulars	Numerator	Denominator	For the year ended 31st March 2024	For the year ended 31st March 2023	Variance	Reason for Variance
1	Current Ratio (in %)	663.08	521.60	1.27		27.07%	Company started new operations in Rohtak thereby increasing in inventories and Trade receivables
		448.00	447.80		1.00		
2	Debt Equity Ratio(in %)	-	1,187.52			NA	NA
		-	926.95				

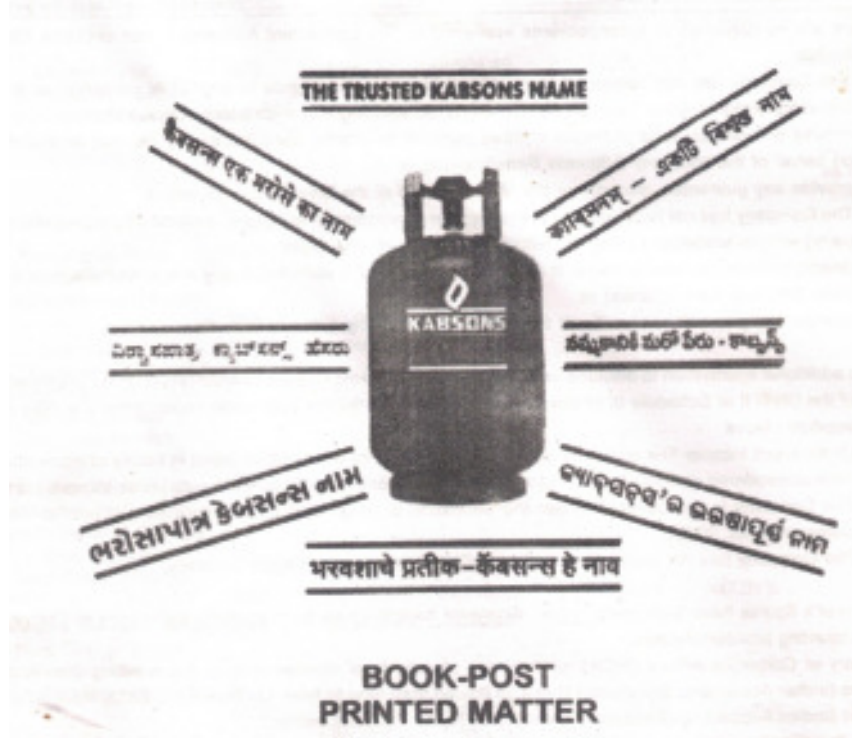
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3	Debt Service Coverage Ratio (in %)	NA	NA	NA	NA	NA	NA
4	Return on Equity (in %)	260.57	1,187.52	0.22		157.57%	Due to increase in Fair value of Investments measured at FVTPL
		78.97	926.95		0.09		
5	Inventory turnover ratio (in %)	2,218.91	26.09	85.04		-14.24%	NA
		1,380.42	13.92		99.16		
6	Trade receivable turnover ratio (in %)	2,721.88	45.32	60.06		4.01%	NA
		1,699.56	29.43		57.74		
7	Trade payable turnover ratio (in %)	2,259.48	38.18	59.18	62.31	-5.02%	NA
		1,365.36	21.91	38.42			
8	Net capital turnover ratio (in %)	2,721.88	70.84		177.16	-78.31%	Company started new operations in Rohtak thereby increasing in inventories and Trade receivables and increase in average working capital
		1,699.56	9.59				
9	Net profit ratio (in %)	260.57	2,721.88	0.10		106.03%	Due to increase in Fair value of Investments measured at FVTPL
		78.97	1,699.56		0.05		
10*	Return on capital employed (in %)	266.71	1,273.23	0.21		147.76%	Due to increase in Fair value of Investments measured at FVTPL
		87.15	1,030.78		0.08		
11	Return on investment (in %)	-	-	-	-	NA	NA

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- xiv. The Company has not applied for any Schemes of Arrangements under sections 230 to 237 of the Act
- xv. a) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding that such intermediaries shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with understanding (whether recorded in writing or otherwise):
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by funding party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 33.5 there is no additional information to disclose as required by para 7 of the General Instructions on P & L preparation given in Part II of the DIVN II of Schedule III to the Companies Act 2013 for the year under report other than the disclosed at the appropriate places
- i. Undisclosed income-The company has no transactions that were not recorded in books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income tax act 1961.
  - ii. The Company is not covered under the obligation to incur CSR Expenditure as per section 135 of the Companies Act, 2013.
  - iii. The Company has not invested or traded in Crypto currency or Virtual Currency.
- 33.6 Previous Year's figures have been reclassified, wherever necessary so as to conform with those of Current Year.
- 33.7 Recent accounting pronouncements:
- The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March 2024 MCA has not notified any new standard or amendments to the existing standards applicable to the Company.



*If underlivered, please return to :*  
**KABSONS INDUSTRIES LIMITED**  
Plot No. 17, H.No. 8-2-293/82/C/12,  
Madhuw Vihar, 2nd Floor, Jubilee Hills  
Road No. 7, Hyderabad - 500033