

# KABSONS INDUSTRIES LIMITED

"Madhuw Vihar" Second Floor, Plot No.17, H.No.8-2-293/82/C/17, Road No.7, Jubilee Hills,  
Hyderabad – 500 033, Telangana, INDIA

Tel: 040-66630006, E-mail: operationslpg@gmail.com

Website: [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com)

Grievance redressal division Email: [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com)

CIN No: L23209TG1993PLC014458



7<sup>th</sup> September, 2020

The Bombay Stock Exchange Limited  
Department of Corporate Services,  
Floor 25, PJ Towers, Dalal Street,  
Mumbai – 400001.

Sub: Notice of 28<sup>th</sup> AGM and Annual Report 2019-20

Ref: Scrip Code: 524675

Dear Sir/ Madam,

In compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 28<sup>th</sup> AGM of shareholders and the Annual Report for the financial year 2019-2020. The 28th AGM will be held on Wednesday, September 30, 2020 at 4.30 p.m. IST through video conference and other audio visual means (VC).

The Notice and the annual report will be made available on the Company's website at: <https://www.kabsonsindustrieslimited.com>.

This is for your information and record.

Yours faithfully

For Kabsons Industries Limited

*M. Nagaraju*

Nagaraju Musinam

Company Secretary cum Compliance Officer

28th Annual Report 2019 - 2020



**Kabsons Industries Limited**



## KABSONS INDUSTRIES LIMITED

### 28<sup>th</sup> Annual Report 2019 – 2020

<b>BOARD OF DIRECTORS</b>	<p>Sri. Rajiv Kabra</p> <p>Sri. Venkata Subba Rao Pinapati</p> <p>Smt. Mangal Rathi</p> <p>Ms. Riha Kabra</p> <p>Sri. Krishna Murthy Motamarri</p> <p>Sri. Nagaraju Musinam</p>	<p>Chairman and Executive Director [DIN:00038605]</p> <p>Independent Director [DIN:02299552]</p> <p>Independent Director [DIN:06966755]</p> <p>Additional Director [DIN:08825577] w.e.f. 27-08-2020</p> <p>Chief Financial Officer</p> <p>Company Secretary cum Compliance Officer</p>
<b>COMMITTEES OF THE BOARD</b>		
<b>AUDIT COMMITTEE</b>	<p>Sri. P V Subba Rao</p> <p>Sri. Rajiv Kabra</p> <p>Smt. Mangal Rathi</p>	<p>Chairman</p> <p>Member</p> <p>Member</p>
<b>NOMINATION &amp; REMUNERATION COMMITTEE</b>		
	<p>Sri. P V Subba Rao</p> <p>Sri. Rajiv Kabra</p> <p>Smt. Mangal Rathi</p> <p>Ms. Riha Kabra</p>	<p>Chairman</p> <p>Member</p> <p>Member</p> <p>Member</p>
Registered Office	<p>Kabsons Industries Limited [CIN:L23209TG1993PLC014458] Plot No.17, H.No. 8-2-293/82/C/17, Madhuw Vihar, 2<sup>nd</sup> Floor, Jubilee Hills, Road No.7, Hyderabad – 500033 Email: operationslpg@gmail.com / www.kabsonsindustrieslimited.com Phone No: +91 40-23554970</p>	
Factory	<p>Plot No.B-3, Phase 1, MIDC, Waluj, Aurangabad - 431 136. Maharashtra</p>	
<b>SHARE TRANSFER &amp; INVESTOR'S GRIEVANCE COMMITTEE</b>		
	<p>Sri. P V Subba Rao</p> <p>Sri. Rajiv Kabra</p> <p>Smt. Mangal Rathi</p>	<p>Chairman</p> <p>Member</p> <p>Member</p>
<b>Stock Exchanges Where company's Securities are Listed</b>	<b>ISIN</b>	<p>BSE Limited</p> <p>INE645C01010</p>
Bankers	<p>HDFC Bank Limited</p> <p>State Bank of India</p>	
Auditors	<p>M/s. K S Rao &amp; Co., Chartered Accountants Flat No.601A, Golden Green Appartments, Erramanzil Colony, Somajiguda, Hyderabad - 500 082.</p>	
Registrars & Share Transfer Agents	<p>M/S.XL SOFTECH SYSTEMS LTD #3, Sagar Society, Hyderabad - 500 034.</p>	
Secretarial Auditors	<p>B S S &amp; Associates Company Secretaries 6-3-626, Parameswara Appts., 5<sup>th</sup> Floor, 5A, Anand Nagar, Khairatabad, Hyderabad 500004.</p>	



### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of Kabsons Industries Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 4.30 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, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033.

#### Ordinary Business:

##### Item No.1 – Adoption of financial statements

To receive, consider and adopt the Audited Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Directors and Auditors thereon.

##### Item No.2 – Re-appointment of Sri. Rajiv Kabra, as a Director liable to retire by rotation

To appoint a Director in place of Sri. Rajiv Kabra (DIN:00038605), who retires by rotation and, being eligible, offers himself for re-appointment.

#### Special Business:

##### Item No.3 – Regularization of appointment of Ms.Riha Kabra (DIN: 08825577), as Non-Executive and Non-Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: "RESOLVED THAT Ms. Riha Kabra (DIN:08825577), who was appointed as an Additional Director (Non-executive, Non Independent Director ) of the Company w.e.f. August 27, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer herself for appointment, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation." "RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution

By Order of the Board of Directors of  
Kabsons Industries Limited

Sd/-

Nagaraju Musinam

Company Secretary

M No.A48209

Place : Hyderabad

Date : 27.08.2020

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

#### Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No.3 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at 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.
4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. The relevant details required to be given under Regulation 26(4) and 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 are given in the Annexure-2.
6. 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).

7. 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.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
10. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by CDSL in the Video Conferencing platform during the e-AGM. Kindly refer below for instruction for e-voting during the AGM.
11. The Company has fixed 18<sup>th</sup> September 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
12. The Register of Members and Transfer Book of the Company will be closed from 22<sup>nd</sup> September 2020 to 30<sup>th</sup> September 2020 (both days inclusive).
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on 31<sup>st</sup> March 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). 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).
14. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
15. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 29<sup>th</sup> September, 2017, for a period of 5 years.
16. 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.
17. 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.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for 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).
19. Members whose shareholding is in electronic mode are requested to update the change of address, email IDs and change in Bank Account details, if any with the respective Depository Participant(s).
20. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
21. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report 2019-2020 is available on the Company's Website, [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com)
22. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. 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 dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, XL softech Limited for assistance in this regard.



23. 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.
24. 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.
25. 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 28th AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Sunday, 27<sup>th</sup> day of September, 2020 at 9.00 a.m. IST and ends on Tuesday, 29<sup>th</sup> day of September, 2020 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 <Record Date> Friday, the 18<sup>th</sup> day of September, 2020 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</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 which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</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 as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant KABSONS INDUSTRIES LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

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 xfield@rediffmail.com.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to xfield@rediffmail.com.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 **2 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 **2 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.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- 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.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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 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 [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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**KABSONS INDUSTRIES LIMITED****GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS**

- 1 Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- 2 The Scrutinizer's decision on the validity of the vote shall be final.
- 3 The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company/meeting or a person authorised by him in writing, who shall countersign the same.
- 4 The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.kabsonsindustrieslimited.com. The results shall simultaneously be communicated to BSE Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- 5 The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

**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@gmail.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  
Sd/-

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020

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

**Annexure to the Notice of the 28th Annual General Meeting****Annexure 1**

Statement pursuant to Section 102 (1) of the Companies Act 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No's. 3 of the accompanying Notice dated 27th August, 2020.

**Item No. 3:**

The Board of Directors had appointed based on the recommendation of Nomination and Remuneration Committee, Ms. Riha Kabra (DIN:08825577), as an Additional Director of the Company pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of the Company and in compliance with applicable regulations of SEBI (Listing Regulations) in the category of Non -Executive and Non-Independent Director, with effect from 27<sup>th</sup> August, 2020. Presently she will hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member signifying its intention to propose the candidature of Ms. Riha Kabra (DIN:08825577), for the office of her Directorship in the Company under the provisions of Section 160 of the Act, 2013. The Board of Directors accordingly recommends the resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members. None of the Directors, Key Managerial Personnel, and/or their relatives, except Mr. Rajiv Kabra and Ms. Riha Kabra, in any way, concerned or interested in the said resolution.

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

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020

**Annexure 2**

(Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) and Secretarial Standard-2)

Details of Directors seeking re-appointment at the Annual General Meeting

Name of the Director	RIHA KABRA
DIN	08825577
Date of Birth	24/12/1997
Age	22 Years
Qualification	BSc Hons in Sociology with Psychology
Date of First Appointment on the Board	27.08.2020
Nature of Appointment	Retires by rotation and offers herself for re-appointed.
Terms and Conditions of Reappointment	Appointment as a director subject to retirement by rotation under Sec.152 of the Companies Act, 2013.
Inter-se relationship with other Directors of the Company	Daughter of Rajiv Kabra Whole Time Director of the Company
Number of Board Meetings attended	NIL
No of Shares held	Nil
Directorships in other Listed Companies	Nil
Membership/Chairmanship of Committees of other Board	Nil

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

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020



## BOARD'S REPORT

To

The Members of **KABSONS INDUSTRIES LIMITED**,Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.**FINANCIAL RESULTS:**

(Rs.in Lakhs)

	Financial Year 2019-2020	Financial Year 2018-2019
Revenue from operations	852.03	1022.53
Other Income	43.24	40.22
<b>Total Revenue</b>	<b>895.27</b>	<b>1062.75</b>
Total Expenses	818.78	983.10
Profit before Finance Cost, Depreciation & exceptional items	154.40	127.00
Finance Cost	12.78	6.98
Depreciation	30.21	20.87
Exceptional items	17.46	9.75
Profit/ (Loss) before Tax	93.95	89.40
Tax Expenses (Earlier year Tax Paid)	0.32	0.08
Profit after Tax	93.63	89.32
Basic & Diluted Earnings per share of Rs.10/- each	0.54	0.51

**DISCUSSION ON FINANCIAL PERFORMANCE:**

During the year under consideration, the Company's has generated profit of Rs.154.40 Lacs before finance costs, depreciation and exceptional items as against a profit of Rs.127.00 Lacs during the previous year, which includes lease income and lease income is the major source of revenue to the Company. Your Directors are trying every opportunity for improving the performance with increased revenue in the next year.

**BUSINESS REVIEW**

The Company has been focusing on Lease income and as per demand, the Company has already expanded the facility for Leasing and Licence by constructing a new factory building at one location for third party use and getting revenues from the same. All the bottling plants are operational during the year under consideration except two locations where third party has discontinued the leasing arrangement from March 2020 onwards.

**LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY OVERVIEW**

Most of the LPG volume is handled by PSU's for domestic supplies. The central government may soon allow private companies to sell subsidized LPG in India, a move which could potentially break the monopoly of the state-owned oil marketing companies in the domestic cooking gas segment. The Ministry of Petroleum and Natural Gas has setup a five member committee to review the existing frame work of LPG marketing in India and identify the grey areas that might allow private entities to sell subsidized cooking gas.

**OUT LOOK:**

All the Plants of our Company continue to be operational either by our own or third-party bottling or on leasing out except two locations. However in view of COVID-19 Pandemic, the revenues of the Company are partially affected. Company will put all efforts to improve the revenues in the coming year.

**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.

**Change of the Registered Office**

The Board of Directors at their meeting held on 14<sup>th</sup> February, 2020, approved the change of Registered Office of the Company from Plot No 48, H.No.8-3-1087, Srinagar Colony, Hyderabad, Telangana 500073 to Madhuw Vihar, Second Floor, Plot No.17, H.No.8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana-500033 with effect from 14.02.2020.

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

**Share Capital:**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, 2020 was Rs.18,00,00,000/-, comprising of 1,80,00,000 equity shares of Rs.10/- each.

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, 2020 was Rs.17,46,30,000/-, comprising of 1,74,63,000 equity shares of Rs.10/- each.

**Buy Back of Securities**

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

**Sweat Equity**

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

**Bonus Shares**

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

**Employees Stock Option**

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

**Dividend**

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

**Transfers to Reserves**

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

**Deposits**

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

**Particulars of Contracts & Arrangements with Related Parties**

All transactions entered into by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2019-20 which were in conflict with the interests of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as **Annexure - I** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

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.

**Particulars of Loans, Guarantees or Investments**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2019-20.

**Number of Board Meetings held**

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, 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.

**Key Managerial Personnel**

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

Sri. Rajiv Kabra – Whole Time Director

Sri. Krishna Murthy Motamarri - Chief Financial Officer; and

Sri. Nagaraju Musinam – Company Secretary and Compliance Officer

**Directors**

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, Shri.Rajiv Kabra, Executive Director (Whole Time Director) of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Your Board has appointed Ms. Riha Kabra (DIN:08825577), as an Additional director of the Company on 27.08.2020. Pursuant to the provisions of section 161 of the Companies Act, 2013, she shall hold office up to the date of the ensuing annual general meeting and being eligible offered herself for appointment as director by the members in the annual general meeting.

**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.

**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.

#### **Independent Directors' Meeting**

The Independent Directors met on 14.02.2020, 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 Executive 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.

#### **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.

#### **Directors Responsibility Statement as required under Section 134(5) of the Companies Act, 2013:**

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.

#### **Nomination and Remuneration policy**

In compliance to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015 entered into with the Stock Exchanges, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment / nomination and remuneration payable for the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same will form part of the Annual Report as **Annexure - II** to the Board's Report.

#### **Statutory Auditors**

M/s. K S Rao & Co., Chartered Accountants, (Firm Registration No.003109S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 25<sup>th</sup> AGM held in the year 2017, until the conclusion of the 30<sup>th</sup> AGM to be held in the year 2022. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 29<sup>th</sup> September, 2017.

#### **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:

*Interest for the year Rs.6,12,049/- on deposits of Dealers/Distributors has not been provided in view of Company's adverse financial position and will be negotiated for waiver resulting to over statements of Profit by that amount and understatement of Current liabilities by Rs.1,21,81,317.*

This report form part of the Annual Report.

#### **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.

#### **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 2019-2020. The Secretarial Audit Report is annexed herewith as **Annexure - III**.

**Qualification by Secretarial Auditor**

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

**Secretarial Standards**

The company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**Internal Auditors**

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

**Internal financial control and its adequacy**

The Board of your Company has laid down internal financial controls which comply with the provisions of the Companies Act, 2013 and Listing Regulations with Stock Exchange and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

**Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (LODR) Regulations 2015, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

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.

**Management Discussion and Analysis**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis given below discusses the key issues concerning the business and carried on by the Company.

**Management of Risks**

There is considerable pressure to keep up the realization from the services in view of highly competitive market.

**Audit Committee**

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

**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.

**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.

**Extract of Annual Return**

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <http://www.kabsonsindustrieslimited.com/shareholders information>.

**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.

**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 24th April, 2013.

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

**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**.

**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 BSS & Associates, Company Secretaries and the report on Corporate Governance form part of this Directors' Report as **Annexure – V**.

**Disclosures as per the SEBI (LODR) Regulations, 2015.**
**Cash flow statement**

In due compliance of the SEBI (LODR) Regulations, 2015 and in accordance with the requirements prescribed by SEBI, the cash flow statement is prepared and is appended to this Annual Report.

**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.1,81,921/- to Ahmedabad Stock Exchange Ltd and The Calcutta Stock Association Ltd respectively.

The company has paid the listing fee BSE for the financial year 2020-21.

**Policies**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

**i) Whistleblower Policy (Policy on vigil mechanism)**

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company.

**ii) Policy for Determining Materiality for Disclosures**

This policy applies to disclosures of material events affecting Kabsons. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

**iii) Policy on Document Retention**

The policy deals with the retention and preservation of corporate records of the Company.

**Share transfer agency**

The Company has appointed M/s XL Softech Systems Ltd, #3, Sagar Society, Road No.2, Banjarahills, Hyderabad - 500034 as its share transfer agency for handling both physical and electronic transfers.

**Code of conduct**

The Company has adopted Code of Conduct for the Board and for the Senior level employees of the Company and they are complying with the said code. A declaration by the Executive Director to this effect is furnished in **Annexure - VI** to the Board's Report.

**Awards and recognition**

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

**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  
Executive Director  
DIN : 00038605

Place : Hyderabad  
Date : 27.08.2020

**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.

By Order of the Board of Directors of  
Kabsons Industries Limited

Sd/-

Rajiv Kabra  
Executive Director  
DIN : 00038605

Place : Hyderabad  
Date : 27.08.2020

**Annexure -II****Nomination and Remuneration policy****Introduction**

The Company's policy on the appointment and remuneration of Directors and key managerial personnel provides a framework for payment of suitable remuneration to the Directors, Key Managerial Personnel (KMP) and senior level employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

The nomination and remuneration policy provided herewith is in line with the requirements of Section 178(4) of the Companies Act read with rules made there under and SEBI (LODR) Regulations, 2015 the Listing Agreement entered into with the Stock Exchanges.

**Objective and purpose of the policy**

The objectives and purpose of this policy are

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate remuneration principles for the Directors, key managerial personnel and other senior level employees of the Company.

**The committee**

The Board has constituted the nomination and remuneration committee of the Board on August 13, 2015. This is in line with the requirements of Companies Act, 2013 ('the Act') and the SEBI (LODR) Regulations, 2015 the Listing agreement entered in to with Stock Exchanges.

The Board has authority to reconstitute this committee from time to time.

**Policy in respect of appointment of Directors, their remuneration etc**
**Part I**
**Criteria for qualification, positive attributes of independence of Directors:**

1. The total composition of the Board should consist of a mix of expertise and experience in the following fields:
  - Business Management.
  - Finance & Accounts.
  - Technology, Research and Development.
  - Marketing.
  - Investment Banking.
  - Corporate & Business Laws.
  - Public Relations and Corporate Communications.
  - HRD and Leadership.
  - Other disciplines related to the Company's business.
2. The type of persons to be identified for appointments as Directors would depend on the skill-sets already available in the existing Board. The effort would always be to ensure that the overall expertise and skill-sets available at the Board level is as board based as possible.
3. The following additional factors shall also be taken into account while recommending individuals for appointment as independent directors.
  - The other directorships held by the proposed appointee, the ability for devoting adequate time and the willingness of the proposed appointee to participate in the Board and Committee meetings.
  - The composite age profile of the Board of Directors as a whole. The effort will be to strike an appropriate balance of youth and experience.
  - Present and potential conflict of interest of the proposed appointee in the various issues that may be coming up before the Board.
  - Personal characteristics being in line with the Company's values, such as integrity, honesty and transparency.

**Executive Directors**

The Policy relating to appointment of executive directors is to

- Provide adequate opportunity for career advancement of the executives already working in the company;
- Simultaneously attract talent from outside for direct recruitment as Executive Directors at the Board level.

**Part II**
**Remuneration Policy**

The Remuneration Policy of the Company is to design the compensation packages which are sufficient to attract, retain and motivate the person to put in his best performance and feel that the compensation paid to him is commensurate with his talent, experience and expertise.

Due care will be taken to ensure a remuneration package which is comparable to the pay and employment conditions with peers within the organization as well as the contemporary levels of compensation in the industry.

Increments and career advancement will be directly linked to the performance of the particular individual. Measurable performance indicators shall be designed and intimated to the employees to ensure objectivity and transparency in the performance evaluation.

**Remuneration of Executive Directors and Key Managerial Personnel**

The Nomination and Remuneration Committee shall consider the following criteria, while fixing the remuneration of the Executive Director (Whole-time Directors) Key Managerial Personnel and other employees:

- Industry Bench Marks.
- Performance of the Company compared to the performance of the industry.
- Responsibilities shouldered.
- Performance of the individual and his track record.
- Initiatives taken and leadership qualities exhibited.

**Remuneration of Non-executive Directors**

Non Executive Directors will be paid a Sitting Fee as may be decided by the Board, within the ceilings prescribed under the Act.

**Policy relating to Remuneration of Directors etc**

The Remuneration Policy of the Company for the Directors, key managerial personal and other employees is to design the compensation packages which are sufficient to attract, retain and motivate the person to put in his



best performance and feel that the compensation paid to him in commensurate with his talent, experience and expertise.

However your Executive Director, Mr.Rajiv Kabra is not drawing any salary.

By Order of the Board of Directors of  
Kabsons Industries Limited

Sd/-

Rajiv Kabra  
Executive Director  
DIN : 00038605

Place : Hyderabad  
Date : 27.08.2020

**Annexure - III  
Secretarial Audit Report  
Form No. MR-3**

**For the Financial Year ended 31<sup>st</sup> March, 2020**

*[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,  
Plot No. 17, H.No.8-2-293/82/C/17,  
Madhuw Vihar, 2<sup>nd</sup> Floor, 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, 2020, 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, 2020 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;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
**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, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period;** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;**
- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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) Listing Agreement entered into by the company with BSE Limited.

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.

**We further report that**, the Board of Directors of the Company is duly constituted. The changes in the composition of 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.

For **B S S & Associates**

Company Secretaries

Sd/-

S Srikanth

Partner

ACS: 22119 CP: 7999

UDIN: A022119B000630639

Place : Hyderabad

Date : 27.08.2020

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,  
Plot No. 17, H.No.8-2-293/82/C/17,  
Madhuw Vihar, 2<sup>nd</sup> Floor, 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  
ACS: 22119 CP: 7999

Place : Hyderabad  
Date : 27.08.2020

**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**

S. No.	Name	Designation	Remuneration Paid For the year 2019-20.	Remuneration Paid For the year 2018-19.	Increase in Remuneration From Previous Year	Ratio/times for median of Employee Remuneration
1.	M Krishna Murthy	Chief Financial Officer	19,10,400	18,11,000	99,400	11.06 : 1
2.	Nagaraju Musinam	Company Secretary cum Compliance officer	3,12,000	2,40,000	72,000	1.17 : 1

- a) Number of permanent employees on the roles of the company: 17
- b) 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.

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-  
Rajiv Kabra  
Executive Director  
DIN : 00038605

Place : Hyderabad  
Date : 27.08.2020

## ANNEXURE - V

## CERTIFICATE ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE**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.

**1. Board of Directors****a) Composition**

The Board consists of 3 Directors as on 31<sup>st</sup> March 2020. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015. The day-to-day management of the company was carried on by the **Rajiv Kabra**, Executive Director of the company.

Category	No. of Directors	Names of the Directors
Executive Directors (Promoter Directors)	01	Rajiv Kabra
Non-Executive Independent Directors	02	1. P V Subba Rao 2. Mangal Rathi
Total	03	

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except Independent Directors were liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2020 is given below:

Name of Director	Category	Number of Directorships in other Companies		Number of Committee Memberships in other Companies	
		Chairman	Member	Chairman	Member
Rajiv Kabra	Executive Director	1	1	-	-
P V Subba Rao	Non-Executive & Independent	-	-	-	-
Mangal Rathi	Non-Executive & Independent Woman Director	-	-	-	-

**b) Board Procedure:**

During the year under review Board met four times on 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on September 26, 2019
	Held	Attended	
Mr. Rajiv Kabra	4	4	Yes
Mr. P V Subba Rao	4	4	Yes
Mrs. Mangal Rathi	4	4	Yes



The company places before the Board all those details as required under Schedule-V of the SEBI (LODR) Regulations, 2015. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The chairman appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the Executive Director and the Chief Financial Officer regarding compliances of all laws on a quarterly basis.

**c) Disclosure of relationship between directors inter-se: -NA-  
Independent directors meeting**

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent directors of the Company be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

Even before the Companies Act, 2013 came into effect, our Board's policy required our independent directors to hold quarterly meetings attended exclusively by the independent directors. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman.

**2. 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 2020

1. Mr.P V Subba Rao – Chairman
2. Mr. Rajiv Kabra - Member
3. Mrs. Mangal Rathi – Member

As on 31<sup>st</sup> March 2020 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 26<sup>th</sup> September 2019. The audit committee met 4 times during the year on 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020. The details are as follows:

**Attendance of each Director at Audit Committee Meetings**

Name of the Director	Category	Number of Committee Meetings	
		Held	Attended
Mr. P V Subba Rao	Chairman	4	4
Mr. Rajiv Kabra	Member	4	4
Ms. Mangal Rathi	Member	4	4

### 3. Nomination and Remuneration Committee

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

- (A) appointment of the directors, and key managerial personnel of the Company; and  
 (B) 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 2020:

1. Mr. P V Subba Rao - Chairman
2. Ms. Mangal Rathi – Member
3. Mr. Rajiv Kabra- Member

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

Name of the Director	Category	Number of Committee Meetings	
		Held	Attended
Mr. P V Subba Rao	Chairman Independent & non Executive director	4	4
Mr. Rajiv Kabra	Member Executive Director	4	4
Ms. Mangal Rathi	Member Independent & Non-Executive Director	4	4

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 Executive Director. Mr. P V Subba Rao was the chairman of the committee. Mr. Rajiv Kabra and Ms. Mangal Rathi are the other members. During the financial year 2019-2020 the committee met on 14.08.2019 and 14.02.2020

#### 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.

#### (V) 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.

#### (VI) Remuneration paid to Directors

Out of the total 3 directors, one is executive 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 Executive 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.

- a) Details of Remuneration paid to the all the Directors during the financial year 2019-2020 – NIL –
- b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2019-2020

**KABSONS INDUSTRIES LIMITED**


Name of the Director	Board Meeting (Rs)	Audit Committee Meeting (Rs)	Remuneration Committee Meeting (Rs)	Stakeholders' Relationship Committee Meeting (Rs)	Total
Mr. P V Subba Rao	16,000	-	-	-	16,000
Mrs. Mangal Rathi	16,000	-	-	-	16,000

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2020.

**a) Details of shareholding of Directors as on 31<sup>st</sup> March, 2020**

As on 31<sup>st</sup> March 2020, the company had one executive director and two non-executive directors. The Executive director, Mr. Rajiv Kabra holds 91,17,400 equity shares in the company. Among the non executive directors Mr. P V Subba Rao holds NIL equity shares and Mrs. Mangal Rathi holds 2,500 equity shares in the company.

**4. Stakeholders' Relationship Committee:**

Mr. P V Subba Rao, Non-Executive director was the Chairman of the committee. Mrs. Mangal Rathi and Mr. Rajiv Kabra are the other members of the committee which also constitute as Share Transfer Committee to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc. The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 4 times during the year 2019-2020.

**Complaints received and redressed during the year 2019-2020**

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	-	-	-
3	warrant	-	-	-
4	Issue of duplicate share	-	-	-
5	Certificate	-	-	-
6	Issue of duplicate dividend	-	-	-
7	warrant	-	-	-
8	Procedure for transmission	-	-	-
9	General queries	-	-	-
10	Non receipt of dividend	-	-	-
11	Correction in share certificate	-	-	-
	Change of address			
	Unclaimed dividend			
	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". 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. Mr. M Nagaraju is the compliance officer of the company. For any clarification / complaint the shareholders may contact Mr. M Nagaraju, Compliance Officer at the registered office of the company.

**Attendance of each Director at Stakeholders' Relationship Committee Meeting**

Name of the Director	Category	Number of Committee Meetings	
		Held	Attended
Mr. P V Subba Rao - Chairman	Independent & non Executive Director	4	4
Ms. Mangal Rathi - Member	Independent & Non-Executive Director	4	4
Mr. Rajiv Kabra - Member	Executive Director	4	4

**5. 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 14.02.2020

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
Mr. Rajiv Kabra - Member	Executive Director	1	1
Mr. P V Subba Rao - Chairman	Independent & non Executive Director	1	1
Ms. Mangal Rathi - Member	Independent & Non-Executive Director	1	1

Mr. Rajiv Kabra, Executive director was the Chairman of the committee. Mr.P V Subba Rao and Mrs Mangal Rathi are the other members of the committee which also constitute as Risk Management Committee.

**Investor grievance and share transfer**

The Stakeholders relationship committee to examine and redress complaints by shareholders and investors. The status of complaints and share transfers is reported to the entire Board. The details of shares transferred and the nature of complaints are provided in the Shareholder information section of the Annual Report

**7. 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.

**8. Annual General 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 :**

Venue	Financial Year	Date & Time
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2018-2019	26 <sup>th</sup> September, 2019, 4.30 P.M.
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2017-2018	26 <sup>th</sup> September, 2018, 4.30 P.M.
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2016-2017	29 <sup>th</sup> September, 2017, 12.30 P.M.

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

AGM	Subject
September 26, 2019	1. Ordinary Resolution: Reappointment of Sri Rajiv Kabra as a Whole Time Director of the Company for 5 years with effect from 01.08.2019 to 31.07.2024.
	2. Special Resolution: Reappointment of Shri P V Subba Rao as an Independent Director of the company w.e.f 01.10.2019 to 30.09.2024.
	3. Special Resolution: Reappointment of Smt. Mangal Rathi as an Independent Director of the company w.e.f 01.10.2019 to 30.09.2024
September 26, 2018	Nil
September 29, 2017	Nil

**(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 2019-2020.

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

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

**9. 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.

#### 10. Whistle Blower Policy

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel have been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id [kilwhistleblower@gmail.com](mailto:kilwhistleblower@gmail.com). The key directions / actions will be informed to the Executive Director of the Company.

#### 11. Disclosures

##### (a) Related Party Transaction:

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 – II 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.

##### (b) Accounting Treatment:

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

##### (c) Management Discussion and Analysis

Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report.

##### (d) Compliances:

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

##### (e) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2020 as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### (f) 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 in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2020 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. 1,43,24,174 equity shares representing 82.03% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2020.

#### 12. Means of Communication

- 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.
- The company's website address is: [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). The website contains basic information about the company and such other details as required under the SEBI (LODR) Regulations, 2015. The company ensures periodical updating of its website. The company has designated the email-id [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com) to enable the shareholders to register their grievances.
- Pursuant to the SEBI (LODR) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in BSE Listing Centre within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts.

#### 13. 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 [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). 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 2019-2020.



**14. General Shareholder Information****a) Company Registration details:**

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L23209TG1993PLC014458.

**b) Annual General Meeting**

Date and time	30.09.2020 at 4.30 P.M
Venue	Through Video Conference
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March

**c) Registered Office:**

Madhuw Vihar, Second Floor, Plot No.17, H.No. 8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033

**d) Financial Year**

Financial year is 1<sup>st</sup> April to 31<sup>st</sup> March and financial results will be declared as per the following schedule.

**Financial Calendar 2020-2021**

Particulars	Tentative Schedule
Quarter ending on 30 <sup>th</sup> June, 2020	On or before September 14, 2020
Quarter ending on 30 <sup>th</sup> September, 2020	On or before November 14, 2020
Quarter ending on 31 <sup>st</sup> December, 2020	On or before February 14, 2020
Quarter ending on 31 <sup>st</sup> March, 2021 & Annual Result of 2020-2021	On or before May 30, 2021
Date of Book Closure for the financial year 2019-20	September 22, 2020 to September 30, 2020 (both days include)

**e) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 22 September, 2020 to Wednesday, 30 September, 2020 (both days inclusive) for the purpose of 28<sup>th</sup> Annual General Meeting.

**f) Particulars of Dividend for the year ended 31.03.2020**

Company has not declared any dividend.

**g) Listing of Shares**

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

Note: Annual Listing fees for the year 2018-19 were duly paid only to the BSE Limited.

**h) Stock Market Data - BSE**

Month & Year	Month's High Price (Rs.)	Month's Low Price (Rs.)
April, 2019	3.72	2.90
May, 2019	3.17	2.75
June, 2019	3.47	2.95
July, 2019	3.40	3.35
August, 2019	3.35	3.14
September, 2019	3.14	3.05
October, 2019	3.04	2.90
November, 2019	3.30	2.95
December, 2019	2.90	2.75
January, 2020	3.30	2.62
February, 2020	3.30	2.95
March, 2020	2.81	2.01

**i) 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 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Compliance officer certifies on a quarterly basis the timely dematerialization of shares of the company.

**j) Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

**KABSONS INDUSTRIES LIMITED**


- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

**k) Shareholding Pattern as on 31<sup>st</sup> March 2020**

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	-	26,59,250	26,59,250	15.23%
b. Directors & their relatives	5	-	92,21,400	92,21,400	52.80%
<b>Public Shareholding</b>					
<b>I. Institutions</b>					
a. Mutual Funds/UTI	-	-	-	-	-
b. Financial Institutions/Banks	2	100	4,86,456	4,86,556	2.79%
c. Insurance Companies	-	-	-	-	-
d. Foreign Institutional Investors	-	-	-	-	-
<b>II. Non Institutions</b>					
a. Bodies Corporate	141	68,000	81,986	1,49,986	0.86%
b. Individuals	17690	29,64,226	18,53,177	48,17,403	27.59%
c. Non Resident Indians	36	1,06,500	21,725	1,28,225	0.73%
d. Clearing member	1	-	180	180	0.00%
<b>Total</b>	<b>17,882</b>	<b>31,38,826</b>	<b>1,43,24,174</b>	<b>1,74,63,000</b>	<b>100%</b>

**l) Distribution of Shareholding as on 31<sup>st</sup> March 2020**

Shareholdings of nominal value of (Rs.)	Shareholders		Share Amount	
	Nos	%	In Rs.	%
Upto 5,000	16,786	93.87	2,12,16,890	12.15
5,001 – 10,000	376	2.10	31,23,360	1.79
10,001 – 20,000	185	1.04	28,55,050	1.63
20,001 – 30,000	372	2.08	93,52,130	5.36
30,001 – 40,000	36	0.20	12,86,520	0.74
40,001 – 50,000	46	0.26	22,33,230	1.28
50,001 – 1,00,000	36	0.20	26,75,550	1.53
1,00,001 and Above	45	0.25	13,18,87,270	75.52
<b>Total</b>	<b>17,882</b>	<b>100.00</b>	<b>17,46,30,000</b>	<b>100.00</b>

**m) 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 & 171 Sampla Berry Road, Ismaila Village, Rohtak, Haryana - 124517

**KABSONS INDUSTRIES LIMITED**

- n) 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
- Mr. M Nagaraju  
Company Secretary cum Compliance Officer  
Tel : 91-40 23554970  
E-mail : operationslpg@gmail.com  
Email : kilshareholders@gmail.com
- Grievance redressal division
- 15. Non-Mandatory Disclosures:**  
The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:
- (i) The Board**  
Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.
- (ii) Shareholders Right:**  
The quarterly, half yearly and annual results of your Company with necessary report thereon are published in newspapers and posted on Company's website www.kabsonsindustrieslimited.com.  
The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com.
- (iii) Audit Qualifications**  
The statutory financial statements of the company are unqualified.
- (iv) Reporting of Internal Auditor**  
The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.  
The Internal Auditor of the company directly reports to the Audit Committee.
- 16. Fee paid to Statutory Auditors**  
A total fee of Rs.1,35,000/- was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2019-20.

**Annexure – VI****Declaration by Chairman and Executive Director on Code of Conduct under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.**

To  
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2020.

Place : Hyderabad  
Date : 27-08-2020

Sd/-  
Rajiv Kabra  
Executive Director  
DIN:00038605

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

We, Rajiv Kabra, Executive 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 : 27-08-2020

Sd/-  
Rajiv Kabra  
Executive Director  
DIN:00038605

Sd/-  
M Krishna Murthy  
Chief Financial Officer



**Certificate on Corporate Governance**

To,  
The Members of  
Kabsons Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Kabsons Industries Limited for the year ended March 31, 2020 as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

For M/s. B S S & Associates  
Company Secretaries  
Sd/-

S.Srikanth  
Partner

Place: Hyderabad  
Date : 27-08-2020

C.P. No. 7999

**Declaration by Executive Director**

I, Rajiv Kabra, Executive Director of Kabsons Industries Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Sd/-  
Rajiv Kabra  
Executive Director  
DIN:00038605

Place : Hyderabad  
Date : 27-08-2020

**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]  
Madhuw Vihar, Second Floor,  
Plot No.17, H.No. 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 Madhuw Vihar, Second Floor, Plot No.17, H.No. 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) 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, 2020 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.

S.No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr.Rajiv Kabra	00038605	01/08/1996
2.	Mr.Venkata Subba Rao Pinapati	02299552	10/06/2008
3.	Mrs.Mangal Rathi	06966755	30/09/2014

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 M/s. B S S & Associates  
Company Secretaries  
Sd/-

S.Srikanth

Partner

Place: Hyderabad  
Date : 27-08-2020

C.P. No. 7999  
UDIN: A022119B000668985

### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Financial Statements:

#### Qualified Opinion

We have audited the accompanying financial statements of **THE KABSONS INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2020, 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 significant 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, 2020, 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 34.1 in the financial statements which states that the Company has not provided for the interest expense amounting to Rs.6,12,049/- for the year and Rs1,15,69,268 for earlier years against the Trade Deposits received from the Dealers/ Distributors. Consequently, the same has resulted in overstatement of profit for the year by Rs.6,12,049/- overstatement of the balance in the retained earnings, in other equity, by Rs 1,21,81,317 and understatement of Current Liabilities by Rs. 1,21,81,317

#### 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 as a whole, 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 since 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.

#### Our Response

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;
- 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; and

- 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.

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in 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;
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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 "**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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements **Refer Note 34 (a)** to the Ind AS financial statements;
    - ii. the Company has no long-term contracts and did not have derivative contracts; and
    - iii. 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 the amount relates	Due date
22,550	1994-95	19.10.200

for **K. S. RAO & Co.**,  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN20029193AAAHF7822

Place : Hyderabad  
Date : 29th June 2020

**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)

Statement on the Companies (Auditor's Report) Order 2016

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. the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- b. all the Fixed Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification;
- c. according to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable property are held in the name of the company.
- (ii) 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;
- (iii) the company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Therefore, the provisions of clauses 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the said Order are not applicable to the company;
- (iv) in our opinion and according to the information and explanations given to us, the company has not advanced any loans, given guarantees and security and not made investments. Hence para 3(iv) of the afore said Order is not applicable ;
- (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;
- (vi) maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013. Hence clause 3(vi) of the afore said Order is not applicable;
- (vii)(a) the company is regular in depositing with appropriate authorities undisputed statutory dues in respect of Provident Fund , E S I amounts Income Tax ,GST Coustoms and Cess excluding investor education and protection fund and there are no arrears of outstanding statutory dues as at the last day of the financial year for the period of more than six months from the date they become payable
- (b) according to the information and explanations given to us and 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 excepting the dues mentioned below which have not been deposited on account of dispute;

S. No.	Name of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due Date
1	Maharashtra Sales Tax Act	Sales Tax	5,817	2005-06	15.05.2005
2	Maharashtra Sales Tax Act	Sales Tax	9,538	2004-05	15.04.2005
3	Maharashtra Sales Tax Act	Sales Tax	800	2003-04	15.01.2004
4	BST Act	Sales Tax and Penalty	73,735	1997-98	15.08.2004
5	BST Act	Sales Tax and Penalty	1,34,780	1998-99	15.08.2004
6	CST Act	Sales Tax and Penalty	1,31,000	1997-98	15.08.2004
7	CST Act	Sales Tax and Penalty	5,17,000	1998-99	15.08.2004

viii) according to the records of the company examined by us, and the information and explanations given to us, the company had not borrowed from financial institutions. Therefore, the provision of clause 3(viii) of the Order is not applicable;

ix) in our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year Therefore, the provision of clause 3(ix) of the Order is not applicable;





- x) 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;
- xi) according to the information and explanations given to us and based on our examination of the records of the company, no managerial remuneration has been paid/provided during the year under report. Therefore, the provision of clause 3(xi) of the Order is not applicable;
- xii) the company is not a chit fund or a Nidhi/mutual benefit fund/society Therefore, the provision of clause 3(xii) of the Order is not applicable to the company during the year under report;
- xiii) according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv) according to the information and explanations given to us, and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year Therefore, the provision of clause 3(xiv) of the Order is not applicable;
- xv) according to the information and explanations given to us and 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 3(xv) of the Order is not applicable;
- xvi) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

for **K. S. RAO & Co.**,  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN20029193AAAHF7822

Place : Hyderabad  
Date : 29th June 2020

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

##### **Report on the Internal Financial Controls under Clause**

##### **(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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 2020.

We have audited the internal financial controls with reference to financial statements of **KABSONS INDUSTRIES LIMITED** ("the Company") as of 31st March 2020 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 Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 sufficient 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 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 2020, 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.

Place : Hyderabad  
Date : 29th June 2020

for **K. S. RAO & Co.,**  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN20029193AAAAHF7822

<b>BALANCE SHEET AS AT 31st MARCH 2020</b> (All amounts in rupees, unless otherwise stated)			
Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
1	2	3	4
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	<b>2(a)</b>	2,48,15,753	2,60,26,223
(b) Capital Work-in-Progress	<b>2(b)</b>	2,23,86,213	1,58,42,356
(c) Investment Property	<b>3</b>	7,11,880	7,29,220
(d) Other Intangible assets	<b>4</b>	428	428
(e) Right of use asset	<b>5</b>	84,84,730	-
(e) Financial Assets			
(i) Investments	<b>6</b>	76,68,840	99,07,306
(ii) Other financial assets	<b>7</b>	25,64,454	65,56,992
(iii) Deferred tax assets (net)	<b>8</b>	-	-
(f) Other non-current assets	<b>9</b>	9,37,901	43,02,424
<b>(2) Current assets</b>			
(a) Inventories	<b>10</b>	11,01,733	19,26,088
(b) Financial Assets			
(i) Trade Receivables	<b>11</b>	32,61,758	41,30,173
(ii) Cash and cash equivalents	<b>12</b>	22,12,630	7,96,091
(iii) Bank balances other than (ii) above	<b>13</b>	1,71,90,860	76,50,729
(iv) Loans	<b>14</b>	41,000	1,250
(v) Others	<b>15</b>	18,17,259	14,76,391
(c) Current Tax Assets (Net)	<b>16</b>	40,49,422	35,87,861
(d) Other current assets	<b>17</b>	41,92,110	39,79,587
<b>Total Assets</b>		<b>10,14,36,971</b>	<b>8,69,13,119</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	<b>18</b>	17,46,30,000	17,46,30,000
(b) Other Equity		(11,69,24,075)	(12,61,25,231)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	<b>19</b>	2,43,18,439	2,07,92,228
(b) Provisions	<b>20</b>	7,22,102	4,25,653
(c) Other non-current liabilities	<b>21</b>	6,16,516	10,74,953
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	<b>22</b>	23,69,527	24,19,115
(ii) Other financial liabilities	<b>23</b>	1,28,61,052	1,10,01,628
(b) Other current liabilities	<b>24</b>	23,94,179	23,32,479
(c) Provisions	<b>25</b>	4,49,231	3,62,294
<b>Total Equity and Liabilities</b>		<b>10,14,36,971</b>	<b>8,69,13,119</b>
Significant Accounting policies	1		
Explanatory Notes & Other disclosures	34		
As per our report of even date	For and on behalf of the Board of Directors		
For <b>K.S. RAO &amp; Co.,</b>	Sd/-	Sd/-	
Chartered Accountants	<b>P.V.SUBBA RAO</b>	<b>RAJIV KABRA</b>	
Firm's Regn.No.003109S	Director	Chairman & Executive Director	
Sd/-	DIN : 02299552	DIN : 00038605	
<b>(P. GOVARDHANA REDDY)</b>	Sd/-	Sd/-	
Partner, Membership No.29193	<b>M.KRISHNA MURTHY</b>	<b>M. NAGARAJU</b>	
	Chief Financial Officer	Company Secretary cum Compliance Officer	
Place : Hyderabad			
Date : 29-06-2020			



**Statement of Profit and Loss**  
**for the year ended 31st March 2020**

(All amounts in rupees,  
unless otherwise stated)

Particulars	Note No.	Current Year	Previous Year
<b>I Revenue from operations</b>	26	8,52,03,062	10,22,53,434
<b>II. Other income</b>	27	43,23,819	40,21,827
<b>III. Total Revenue (I+II)</b>		8,95,26,881	10,62,75,261
<b>IV. Expenses</b>			
<b>(i) Purchases of Stock-in-Trade</b>	28	5,58,05,379	8,01,15,168
<b>(ii) Changes in inventories of stock in trade</b>	29	8,24,355	(10,98,924)
<b>(iii) Employee benefits expense</b>	30	82,63,884	65,98,103
<b>(iv) Finance costs</b>	31	12,77,878	6,98,333
<b>(v) Depreciation and amortization expense</b>	2, 3, 4, 5	30,20,576	20,86,872
<b>(vi) Other expenses</b>	32	1,26,85,544	99,10,929
<b>Total expenses</b>		8,18,77,616	9,83,10,481
<b>V. Profit / (Loss) before Exceptional Items (III-IV)</b>		76,49,265	79,64,780
VI. Exceptional Items	33	17,46,028	9,74,694
<b>VII. Profit / (Loss) before tax ( V+ VI )</b>		93,95,293	89,39,474
VIII. Tax expense:			
<b>(1) Current tax</b>		-	-
<b>(2) Deferred tax</b>		-	-
<b>(3) Earlier Year Tax Paid</b>		32,481	8,068
<b>IX. Profit / (Loss) after tax for the quarter (VII-VIII)</b>		93,62,812	89,31,406
X. Other Comprehensive Income			
<b>A Items that will not be reclassified to profit or loss</b>		-	-
<b>B Items that will be reclassified to profit or loss</b>		-	-
<b>Other comprehensive income for the quarter (net of tax)</b>		-	-
<b>XI. Total Comprehensive Income for the quarter (IX+X)</b>		93,62,812	89,31,406
XII. Earnings per equity share (face value of Rs.10/-)			
Basic & Diluted		0.54	0.51
Significant Accounting policies	1		
Explanatory Notes & Other disclosures	34		
As per our report of even date		For and on behalf of the Board of Directors	
For <b>K.S. RAO &amp; Co.,</b>		Sd/-	Sd/-
Chartered Accountants		<b>P.V.SUBBA RAO</b>	<b>RAJIV KABRA</b>
Firm's Regn.No.003109S		Director	Chairman & Executive Director
Sd/-		DIN : 02299552	DIN : 00038605
<b>(P. GOVARDHANA REDDY)</b>		Sd/-	Sd/-
Partner, Membership No.29193		<b>M.KRISHNA MURTHY</b>	<b>M. NAGARAJU</b>
		Chief Financial Officer	Company Secretary cum Compliance Officer
Place : Hyderabad			
Date : 29-06-2020			



**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st MARCH, 2020**

(All amounts in rupees,  
unless otherwise stated)

	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>A Cash flow from Operating Activities:</b>		
<b>Profit Before tax</b>	<b>93,95,293</b>	<b>89,39,474</b>
Adjustments for:		
Depreciation and Amortisation	30,20,577	20,86,872
Loss/ (Gain) on sale of tangible assets (net)	(44,625)	-
Interest Income	(11,48,307)	(14,20,243)
Interest Expense	20,63,531	-
Credit balances and Sundry deposits written back	(19,42,741)	-
Lease rental	(1,95,036)	-
Fair value (gain )/ loss on Investments	22,38,467	(4,72,353)
<b>Operating profit before working capital changes</b>	<b>1,33,87,159</b>	<b>91,33,750</b>
Adjustments for (increase)/decrease in operating assets		
Inventories	8,24,355	(10,98,924)
Trade Receivables	8,68,415	(3,91,701)
Other financial assets - current	(92,86,044)	1,48,54,692
Other financial assets - Non current	39,92,538	(53,09,797)
Other non financial assets - current	(2,12,523)	(25,93,437)
Other non financial assets - Non current	36,14,523	(3,19,791)
Right of use asset	(84,89,628)	-
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	(49,588)	(15,789)
Other financial liabilities - current	16,93,219	(9,72,482)
Other financial liabilities - Non current	36,96,918	24,63,823
Short term provisions	86,937	71,470
Long term provisions	2,96,449	2,93,422
Other Non financial liabilities - current	61,700	4,66,097
Other Non financial liabilities - Non current	(4,58,437)	5,71,586
<b>Cash generated from operations</b>	<b>1,00,25,993</b>	<b>1,71,52,919</b>
Income tax paid	(4,94,042)	(6,80,887)
<b>Net Cash flow from/(used in) operating activities</b>	<b>95,31,951</b>	<b>1,64,72,032</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Property, plant and Equipment & Intangible assets and Capital Advances & Capital Creditors	(24,20,065)	(20,87,168)
Proceeds from sale of Property, plant and equipment	11,25,000	-
Additions to CWIP during the year	(65,43,857)	(1,58,42,356)
Investments made during the year	-	(16,50,000)
Interest income Received	5,13,663	24,94,300
<b>Net Cash flow from/(used in) investing activities</b>	<b>(73,25,259)</b>	<b>(1,70,85,224)</b>
<b>C Cash flow from Financing Activities:</b>		
Proceeds / (Repayments) of short term borrowings	-	-
Interest paid	(4,500)	-
Interest on Lease Liability	(7,85,653)	-
<b>Net Cash flow from/(used in) financing activities</b>	<b>(7,90,153)</b>	<b>-</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>14,16,539</b>	<b>(6,13,192)</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>7,96,091</b>	<b>14,09,283</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>22,12,630</b>	<b>7,96,091</b>
<b>Components of Cash and Cash Equivalents</b>		
a. Cash on hand	30,442	49,607
b. Balances with banks		
- In current accounts	21,82,188	7,46,484
- 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>22,12,630</b>	<b>7,96,091</b>
c. Bank Overdraft	-	-
<b>Total Cash &amp; Cash Equivalents in Cash Flow Statement</b>	<b>22,12,630</b>	<b>7,96,091</b>
As per our report of even date	For and on behalf of the Board of Directors	
For <b>K.S. RAO &amp; Co.,</b> Chartered Accountants Firm's Regn.No.003109S	Sd/- <b>P.V.SUBBA RAO</b> Director DIN : 02299552	Sd/- <b>RAJIV KABRA</b> Chairman & Executive Director DIN : 00038605
Sd/- <b>(P. GOVARDHANA REDDY)</b> Partner, Membership No.29193	Sd/- <b>M.KRISHNA MURTHY</b> Chief Financial Officer	Sd/- <b>M. NAGARAJU</b> Company Secretary cum Compliance Officer
Place : Hyderabad Date : 29-06-2020		



**Statement of Changes in Equity  
for the year ended 31st March 2020**

(All amounts in rupees,  
unless otherwise stated)

**A. Equity Share Capital**

Particulars	As at	
	31-03-2020	31-03-2019
At the beginning of the year	17,46,30,000	1,74,630,000
Changes in equity share capital during the year	-	-
At the end of the year	<b>17,46,30,000</b>	<b>17,46,30,000</b>

**B. Other Equity**

Particulars	Reserve and Surplus		Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earnings	Remeasurements of net defined benefit plans	
Balance as at 01st April 2018	4,72,37,415	(18,22,94,052)	-	(13,50,56,638)
Total Comprehensive Income for the year ended 31st March 2019	-	89,31,406	-	89,31,406
Balance as at 31st March 2019	4,72,37,415	(17,33,62,646)	-	(12,61,25,231)
Add: Adjustments made in Opening Retained earnings due to IND AS 116		(1,61,656)		(1,61,656)
Total Comprehensive Income for the year ended 31st March 2020	-	93,62,812	-	93,62,812
Balance as at 31st March 2020	<b>4,72,37,415</b>	<b>(16,41,61,490)</b>	-	<b>(11,69,24,075)</b>

As per our report of even date

For **K.S. RAO & Co.,**  
Chartered Accountants  
Firm's Regn.No.003109S  
Sd/-

**(P. GOVARDHANA REDDY)**  
Partner, Membership No.29193

Place : Hyderabad  
Date : 29-06-2020

For and on behalf of the Board of Directors

Sd/-  
**P.V.SUBBA RAO**  
Director  
DIN : 02299552

Sd/-  
**M.KRISHNA MURTHY**  
Chief Financial Officer

Sd/-

**RAJIV KABRA**  
Chairman & Executive Director  
DIN : 00038605

Sd/-  
**M. NAGARAJU**  
Company Secretary  
cum Compliance Officer

**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 H.No.8-2-293/82/C/17, Plot No 17, Madhuw Vihar, 2<sup>nd</sup> Floor, Road No.7, Jubilee Hills, Hyderabad, Telangana - 500033.

The company is engaged in the business of bottling and selling of LP Gas under the brand name "KABSONS".

**1. SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

**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:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the General Instructions for preparation of Balance Sheet in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**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 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.

- **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.
- 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 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.

### 1.3.3. Investment Property :

- **Measurement at recognition and subsequent measurement:**

- Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

- **Derecognition:**

- Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefits is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the period of derecognition.

### 1.3.4 Inventories

Stock-in-trade is valued at the lower of cost or net realizable value.

Stores and packing material are valued at cost except where net realizable value of the finished goods they are used in, is less than the cost of finished goods and in such an event, if the replacement cost of such materials is less than their book values, they are valued at replacement cost.

Scrap is valued at Net realizable value.

The cost is computed on FIFO method.



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:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- 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 to 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 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.

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 is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company.
  - **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.
  - **Interest / Dividend**  
Interest Income is recognized using the Effective interest rate (EIR) method. Dividend income is recognized when right to receive is established.
- 1.3.7 Leases**  
The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially derived all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.  
The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.  
For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.
- 1.3.8 Prior period items**  
In case prior period adjustments are material in nature, the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.
- 1.3.9 Cash and cash equivalents**  
Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less 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.  
For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.
- 1.3.10 Income taxes**  
Income tax expense for the year comprises of 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** is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes using tax rates enacted, or substantively enacted, by the end of the reporting period.

### 1.3.11 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.

### 1.3.12 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.

### 1.3.13 Foreign Currency transactions

#### ● 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. 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.

#### ● 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.

### 1.3.14 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 in the nature of 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 in the nature of defined benefit obligation are provided for based on number of leaves outstanding as on balance sheet date according to the policy of the company.

### 1.3.15 Dividends

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

**KABSONS INDUSTRIES LIMITED**



**Notes forming part of the Financial Statements for the year ended 31st March, 2020**  
**2. a) Property, Plant and Equipment**

Notes forming part of the Financial statements for the year ended 31 March 2020 (All amounts in rupees, unless otherwise stated)												
Particulars	Gross Block			Depreciation			Net Block					
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	Upto 31 March 2019	For the Year	On Deletions	Upto 31 March 2020	As at 31 March 2020	As at 31 March 2019		
Property, Plant & Equipment												
1 Land:												
Freehold(*)	10,14,817			10,14,817	-				10,14,817	10,14,817		
2 Buildings:												
Factory	2,62,11,358	3,52,625		2,65,63,983	2,03,46,122	5,62,600		2,09,08,722	56,55,261	58,65,236		
Non Factory	19,05,956			19,05,956	8,32,803	26,462		8,59,265	10,46,691	10,73,153		
3 Plant & Machinery	3,17,01,218	1,97,771		3,18,98,989	2,46,27,402	2,62,220		2,48,89,622	70,09,367	70,73,816		
4 Electrical Installations	61,93,592	4,37,958		66,31,550	58,65,547	46,393		59,11,940	7,19,610	3,28,045		
5 Furniture & Fixtures	32,31,388	3,300		32,34,688	30,69,819	3,135		30,72,954	1,61,734	1,61,569		
6 Office equipment	15,73,317			15,73,317	13,77,200	12,555		13,89,755	1,83,562	1,96,117		
7 Vehicles	23,76,619		14,76,088	9,00,531	4,96,830	1,84,607	3,95,713	2,85,724	6,14,807	18,79,789		
8 Cycle	1,710			1,710	1,624	-		1,624	86	86		
9 Data Processing Equipment	33,64,190			33,64,190	31,60,260	24,160		31,84,420	1,79,770	2,03,930		
10 Cylinders	7,07,42,622	11,95,750		7,19,38,372	6,25,12,957	11,95,362		6,37,08,319	82,30,048	82,29,665		
<b>Total</b>	<b>14,83,16,787</b>	<b>21,87,404</b>	<b>14,76,088</b>	<b>14,90,28,103</b>	<b>12,22,90,564</b>	<b>23,17,494</b>	<b>3,95,713</b>	<b>12,42,12,345</b>	<b>2,48,15,753</b>	<b>2,60,26,223</b>		
<b>(2b) Capital work-in-progress</b>	<b>1,58,42,356</b>	<b>65,43,857</b>	<b>-</b>	<b>2,23,86,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,23,86,213</b>	<b>1,58,42,356</b>		
(*) The Company purchased 10 Acres of land at Nelimertia 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 writ petition in Honorable High Court of Andhra Pradesh and the matter is in the Court of Law.												
Particulars	Gross Block			Depreciation			Net Block					
	As at 31 March 2018	Additions	Deletions	As at 31 March 2019	Upto 31 March 2018	For the Year	On Deletions	Upto 31 March 2019	As at 31 March 2019	As at 31 March 2018		
Property, Plant & Equipment												
1 Land:												
Freehold(*)	10,14,817			10,14,817	-				10,14,817	10,14,817		
2 Buildings:												
Factory	2,62,11,358			2,62,11,358	1,97,95,104	5,51,018		2,03,46,122	58,65,236	64,16,254		
Non Factory	19,05,956			19,05,956	8,06,365	26,438		8,32,803	10,73,153	10,99,591		
3 Plant & Machinery	3,15,45,643	1,55,575		3,17,01,218	2,43,74,852	2,52,550		2,46,27,402	70,73,816	71,70,791		
4 Electrical Installations	61,93,592			61,93,592	58,56,340	9,207		58,65,547	3,28,045	3,37,252		
5 Furniture & Fixtures	32,31,388			32,31,388	30,69,819	3,135		30,69,819	1,61,569	1,61,569		
6 Office equipment	14,71,124	1,02,193		15,73,317	13,71,519	5,619		13,77,200	1,96,117	99,543		
7 Vehicles	23,76,619			23,76,619	2,24,878	2,71,952		4,96,830	18,79,789	21,51,741		
8 Cycle	1,710			1,710	1,624	-		1,624	86	86		
9 Data Processing Equipment	33,64,190			33,64,190	31,36,166	24,094		31,60,260	2,03,930	2,28,024		
10 Cylinders	6,89,13,222	18,29,400		7,07,42,622	6,15,84,932	9,28,025		6,25,12,957	82,29,665	73,28,290		
<b>Total</b>	<b>14,62,29,619</b>	<b>20,87,168</b>	<b>-</b>	<b>14,83,16,787</b>	<b>12,02,21,661</b>	<b>20,68,903</b>	<b>-</b>	<b>12,22,90,564</b>	<b>2,60,26,223</b>	<b>2,60,07,958</b>		
<b>Capital work-in-progress</b>	<b>-</b>	<b>1,58,42,356</b>	<b>-</b>	<b>1,58,42,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,58,42,356</b>	<b>-</b>		
(*) The Company purchased 10 Acres of land at Nelimertia 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 writ petition in Honorable High Court of Andhra Pradesh and the matter is in the Court of Law.												



Notes forming part of the Financial Statements for the year ended 31st March, 2020

3. Investment Property

(All amounts in rupees, unless otherwise stated)

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	Upto 31 March 2019	For the Year	On Deletions	Upto 31 March 2020	As at 31 March 2019	As at 31 March 2020
Mumbai Godown	11,24,741			11,24,741	3,95,521	17,340		4,12,861	7,11,880	7,29,220
<b>Total</b>	<b>11,24,741</b>			<b>11,24,741</b>	<b>3,95,521</b>	<b>17,340</b>		<b>4,12,861</b>	<b>7,11,880</b>	<b>7,29,220</b>

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 March 2018	Additions	Deletions	As at 31 March 2019	Upto 31 March 2018	For the Year	On Deletions	Upto 31 March 2019	As at 31 March 2018	As at 31 March 2019
Mumbai Godown	11,24,741			11,24,741	3,77,552	17,969		3,95,521	7,47,189	7,29,220
<b>Total</b>	<b>11,24,741</b>			<b>11,24,741</b>	<b>3,77,552</b>	<b>17,969</b>		<b>3,95,521</b>	<b>7,29,220</b>	<b>7,47,189</b>

4. (All amounts in rupees, unless otherwise stated)

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 March 2019	Additions	Deletions	As at 31 March 2020	Upto 31 March 2019	For the Year	On Deletions	Upto 31 March 2020	As at 31 March 2019	As at 31 March 2020
<b>Other Intangible Assets - Computer Software</b>	8,550			8,550	8,122			8,122	428	428
<b>Total</b>	<b>8,550</b>			<b>8,550</b>	<b>8,122</b>			<b>8,122</b>	<b>428</b>	<b>428</b>

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 March 2018	Additions	Deletions	As at 31 March 2019	Upto 31 March 2018	For the Year	On Deletions	Upto 31 March 2019	As at 31 March 2018	As at 31 March 2019
<b>Other Intangible Assets - Computer Software</b>	8,550			8,550	8,122			8,122	428	428
<b>Total</b>	<b>8,550</b>			<b>8,550</b>	<b>8,122</b>			<b>8,122</b>	<b>428</b>	<b>428</b>

5. Right of Use (All amounts in rupees, unless otherwise stated)

Particulars	Gross Block			Depreciation			Net Block			
	As on 1st April 2019	Additions	Deletions	As on 31 March 2020	As on 1 April 2019	For the Year	On Deletions	Upto 31 March 2020	As at 31 March 2019	As at 31 March 2020
Right of Use asset	74,62,283	50,09,870		1,15,79,246	24,08,774	6,85,742		30,94,516	84,84,730	84,84,730
Upright premium				58,67,421	3,96,536	5,78,6029		9,75,138	48,92,283	48,92,283
Less: Reduction in value of asset due to cancellation of lease agreement	17,84,413	(8,92,907)		1,15,79,246	24,08,774	6,85,742		30,94,516	84,84,730	84,84,730
Right of Use asset	57,11,825	49,75,915	(8,92,907)	1,15,79,246	24,08,774	6,85,742		30,94,516	84,84,730	84,84,730
Upright premium				57,11,825	20,12,238	1,07,140		21,19,378	35,92,447	35,92,447
<b>Total</b>	<b>74,96,238</b>	<b>49,75,915</b>	<b>(8,92,907)</b>	<b>1,15,79,246</b>	<b>24,08,774</b>	<b>6,85,742</b>		<b>30,94,516</b>	<b>84,84,730</b>	<b>84,84,730</b>

**Notes forming part of the Financial Statements for the year ended 31st March, 2020**
**6. Investments(Quoted,Valued at Fair value)**

Particulars	As per IND AS	As at
	31st March 2020	31st March 2019
Investment in Mutual Fund		
ABSL Balanced '95 Fund - Growth	3,71,175	4,92,545
ABSL India GenNext Fund - Growth	8,73,929	10,50,629
ABSL Top 100 Fund - Growth	3,97,065	5,15,363
HDFC Balanced Fund - Growth	8,24,774	10,57,759
HDFC Small Cap fund- Growth	2,17,798	3,74,049
ICICI Pru Balanced Fund - Growth	12,50,526	15,86,644
ICICI Pru Focused Bluechip Equity - Growth	3,89,106	5,16,401
Kotak Select Focused Fund - Growth	8,36,508	10,98,764
Tata Equity P/E Fund - Growth	14,16,140	19,50,155
Axis Focus 25 Fund -Growth	10,91,819	12,64,997
<b>Total</b>	<b>76,68,840</b>	<b>99,07,306</b>
a. Aggregate amount of Quoted Investments	96,50,000	96,50,000
Market Value of Quoted Investments	76,68,840	99,07,306
b. Aggregate amount of Unquoted investments	-	-
c. Aggregate amount of impairment in value of investments	19,81,160	-
d. Aggregate amount of Fair value Gains in value of Investments		2,57,306
<b>7. Other Financial Assets</b>		
Sundry Deposits	9,14,454	9,20,808
Other bank Balances - Term Deposits with balance maturity of more than 12 months		
- Margin money deposits	15,00,000	54,88,937
Rent Receivable (Equalisation)	1,50,000	1,47,248
<b>Total</b>	<b>25,64,454</b>	<b>65,56,992</b>

a. In accordance with Ind AS 116 Leases, Lease receipts are straightlined over the lease period and the amount of lease income recognised in excess of the lease receipts in accordance with lease agreement is shown as rent receivable and will be adjusted over the lease period.

b. Margin money deposits have been pledged with the Bankers towards issue of Bank Guarantees

**8. Deferred Tax**

Particulars	As at 31-03-2020	Not Recognised Statement of Profit & Loss	Recognised in Other Comprehensive Income	As at 31-03-2019
<b>Deferred Tax Liabilities</b>				
Property, Plant & Equipment & Intangible assets	48,10,430	(2,37,445)		50,47,874
Right of use asset	23,60,452	23,60,452		-
Due to Straightling of lease payments	41,730	766		40,964
Other Non Current Assets	54,500	53,290		1,210
Security Deposits	2,48,545	(40,299)		2,88,844
	75,15,656	21,36,763	-	53,78,893
<b>Deferred Tax Assets</b>				
<b>Sundry Deposits</b>	55,289	54,106		1,183
Unused Tax Losses	2,70,85,117	(33,99,983)		3,04,85,100
Due to Straightling of lease payments	-	(6,069)		6,069
TDS non deductions allowed on subsequent remittance of TDS	-	-		-
Fair Value adjustments of financial assets/liabilities	5,51,159	6,22,742		(71,583)
Employee Benefits & Statutory Liabilities allowed on Payment Basis	3,67,814	1,06,658		2,61,156
Other Non Current Liabilities	1,71,515	(1,27,537)		2,99,052
	2,82,30,894	(27,50,083)	-	3,09,80,977
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(2,07,15,238)</b>	<b>48,86,846</b>	-	<b>(2,56,02,084)</b>

**KABSONS INDUSTRIES LIMITED**


<b>Notes forming part of the Financial Statements for the year ended 31st March, 2020</b>		
<b>Particulars</b>	<b>As per IND AS</b>	
	<b>As at</b>	
	<b>31st March 2020</b>	<b>31st March 2019</b>
<b>9. Other non-current assets</b>		
Security Deposits	94,000	94,000
Prepayments	1,97,999	3,38,442
Prepaid Rent	1,95,902	4,350
Leasehold Land Rent paid in advance	-	36,65,632
Advance for Capital Items	4,50,000	2,00,000
<b>Total</b>	<b>9,37,901</b>	<b>43,02,424</b>
<b>10. Inventories</b>		
a. Stock-in-trade (lower of realisable value & cost)	9,85,113	18,09,468
b. Stores and Packing materials (at realisable value)	78,004	78,004
c. Scrap	38,616	38,616
<b>Total</b>	<b>11,01,733</b>	<b>19,26,088</b>
<b>11. Trade Receivables</b>		
Considered good- Secured	-	-
Considered good - Unsecured	32,61,758	41,30,173
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired	-	-
<b>Total</b>	<b>32,61,758</b>	<b>41,30,173</b>
<b>12. Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	21,82,188	7,46,484
Cash on hand	30,442	49,607
<b>Total</b>	<b>22,12,630</b>	<b>7,96,091</b>
<b>13. Other Bank Balances</b>		
Balances with banks		
- In term deposits (with original maturity of more than 3 months & less than 12 months)	1,31,53,867	76,04,182
- In Margin money deposits (with maturity less than 12 months)	40,14,916	24,470
- Share Application Money Refund A/c.	22,077	22,077
<b>Total</b>	<b>1,71,90,860</b>	<b>76,50,729</b>
<b>14. Loans (Unsecured, considered good)</b>		
Amounts recoverable from staff	41,000	1,250
<b>Total</b>	<b>41,000</b>	<b>1,250</b>
<b>15. Other financial assets (Unsecured, considered good)</b>		
Cylinder Deposits	10,23,773	13,17,610
Interest accrued but not due	7,93,486	1,58,781
<b>Total</b>	<b>18,17,259</b>	<b>14,76,391</b>
<b>16. Current tax assets (net)</b>		
Advance Income tax & TDS Receivable (Net of provision)	40,49,422	35,87,861
<b>Total</b>	<b>40,49,422</b>	<b>35,87,861</b>
<b>17. Other current assets (Unsecured, considered good)</b>		
Vendor advance	6,68,990	1,98,400
Balance with Govt. Dept. (CBEC & VAT)	28,90,332	31,23,922
Prepayments	6,32,788	6,57,265
<b>Total</b>	<b>41,92,110</b>	<b>39,79,587</b>
<b>18. Equity Share Capital</b>		
<b>a. Authorised:</b>		
1,80,00,000 Equity Shares of Rs.10/- each	<b>18,00,00,000</b>	<b>18,00,00,000</b>
<b>b. Issued, subscribed and fully paid:</b>		
1,74,63,000 Equity Shares of Rs.10/- each	<b>17,46,30,000</b>	<b>17,46,30,000</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2020

(All amounts in rupees unless otherwise stated)

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

Particulars	As at 31-03-2020		As at 31-03-2020	
	No. of Shares	Amount	No. os Shares	Amount
Shares outstanding at the beginning of the year	1,74,63,000	17,46,30,000	1,74,63,000	17,46,30,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>1,74,63,000</b>	<b>17,46,30,000</b>	<b>1,74,63,000</b>	<b>17,46,30,000</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 31-03-2020		As at 31-03-2020	
	No. of Shares Held	% holding	No. os Shares Held	% holding
<b>Equity Shares of Rs.10/- each:</b>				
Mr. Rajiv Kabra	91,17,400	52.21	91,17,400	52.21
M/s. Lata Engineering Company Pvt. Ltd.	10,11,000	5.79	10,11,000	5.79

Particulars	As per IND AS	
	31st March 2020	31st March 2019
<b>19. Other Financial liabilities</b>		
i) Security Deposits	87,72,097	1,00,40,240
ii) Distributor/Dealership Deposit	1,07,10,172	1,07,30,172
iii) Rent Payable (Equalisation)	-	21,815
iv) Lease Liability	48,36,170	-
<b>Total</b>	<b>2,43,18,439</b>	<b>2,07,92,227</b>
<b>20. Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuit	7,22,102	4,25,653
<b>Total</b>	<b>7,22,102</b>	<b>4,25,653</b>
<b>21. Other non-current liabilities</b>		
Rent received in advance	6,16,516	10,74,953
<b>Total</b>	<b>6,16,516</b>	<b>10,74,953</b>
<b>22. Trade Payables</b>		
Other than Micro, Small and Medium Enterprises	23,69,527	24,19,115
<b>Total</b>	<b>23,69,527</b>	<b>24,19,115</b>
<b>23. Other Financial liabilities</b>		
Interest accrued and due on Distributor/Dealer deposits	12,73,780	12,78,280
Cylinder Deposits from Consumers	65,44,659	66,69,752
Dues to Dealers and Consumers	70,757	10,98,304
Dues to Staff	6,04,546	6,46,137
Lease Liability	1,70,706	-
Other payables	17,27,171	13,09,155
Sundry Deposits ( Current )	24,69,433	-
<b>Total</b>	<b>1,28,61,052</b>	<b>1,10,01,628</b>
<b>24. Other Current liabilities</b>		
Investor Education and protection fund - Unpaid application money received for allotment of shares and due for refund	22,550	22,550
Statutory dues	22,33,433	23,09,929
Rent Received in Advance	1,38,196	-
<b>Total</b>	<b>23,94,179</b>	<b>23,32,479</b>



## Notes forming part of the Financial Statements for the year ended 31st March, 2020

(All amounts in rupees unless otherwise stated)

Particulars	As per IND AS As at	
	31st March 2020	31st March 2019
<b>25. Provisions</b>		
Provision for Employee Benefits:		
(a) Earned Leave Encashment	3,06,534	2,22,512
(b) Bonus	1,42,697	1,39,782
<b>Total</b>	<b>4,49,231</b>	<b>3,62,294</b>
Particulars	Current Year	Previous Year
<b>26. Revenue from Operations</b>		
<b>Sale of Products</b>		
Sale of gas (trading item)	5,73,01,136	8,23,43,089
<b>Other operating revenues</b>		
Gas filling charges	1,07,44,364	72,32,663
Rental / hire charges	7,06,174	7,72,488
Plants Lease	56,27,200	58,63,501
Rent	1,04,00,318	54,68,991
Unloading/Loading charges collected		1,33,692
Lease income (Fair value of interest free lease deposits measured at amortised cost)	4,23,870	4,39,011
<b>Total</b>	<b>8,52,03,062</b>	<b>10,22,53,434</b>
<b>27. Other Income</b>		
Interest Income		
- Unwinding of interest on Rental deposit made	10,062	8,235
- others	11,38,245	14,12,008
Other non-operating revenue		
Excess Provision written back	-	1,49,231
Miscellaneous income	25,69,953	19,80,000
Fair Value Gain on Mutual Funds	6,05,559	4,72,353
<b>Total</b>	<b>43,23,819</b>	<b>40,21,827</b>
<b>28. Purchases of Stock-in-Trade</b>		
Gas	5,58,05,379	8,01,15,168
<b>Total</b>	<b>5,58,05,379</b>	<b>8,01,15,168</b>
<b>29. Changes in inventories of Stock-in-trade</b>		
<b>Opening Stock:</b> Stock-in-trade - LPG Gas	18,09,468	7,10,544
<b>Less: Closing Stock:</b> Stock-in-trade - LPG Gas	9,85,113	18,09,468
<b>(Increase) / Decrease in stocks</b>	<b>8,24,355</b>	<b>(10,98,924)</b>
<b>30. Employee Benefits Expense</b>		
Salaries, Wages and allowances	74,22,520	58,38,113
Contribution to provident and other funds	2,65,840	2,65,918
Gratuity	2,80,699	2,93,422
Earned Leave Encashment	84,022	71,527
Staff welfare expenses	2,10,803	1,29,123
<b>Total</b>	<b>82,63,884</b>	<b>65,98,103</b>
<b>31. Finance Costs</b>		
Interest expense:		
Unwinding of interest on Deposits received against leased plants	9,49,077	6,98,333
Interest Expense on Lease Liability	3,28,801	-
<b>Total</b>	<b>12,77,878</b>	<b>6,98,333</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2020

(All amounts in rupees,  
unless otherwise stated)

Particulars	Current Year	Previous Year
<b>32. Other Expenses</b>		
Consumption of stores and spares	2,02,761	1,79,432
Power Charges of bottling plants	6,31,111	6,35,124
Rent & Water Charges	46,983	8,94,228
Rental/Hire charges paid for Cylinders	4,41,951	1,46,188
Repairs & Maintenance		
i) Plant & Machinery	3,52,070	5,40,179
ii) Buildings	20,08,656	13,94,900
iii) Other Assets	2,13,602	11,71,570
Insurance	1,70,177	1,55,108
Rates & Taxes	5,04,684	3,77,532
Gas Filling Charges	54,718	56,095
Printing & Stationary	32,137	34,108
Postage & Telephones	51,726	73,164
Travelling & Conveyance	6,04,934	4,79,000
Service Charges	20,09,294	14,23,634
Legal & Professional Charges	8,64,603	7,37,969
Listing Fees	3,00,000	2,68,752
Payment to Auditors		
: As Auditors	50,000	50,000
: For Tax Audit	20,000	20,000
: For Certification	65,000	35,000
Penalties	50,000	-
Rent Paid to MIDC ( Sub letting charges)	2,99,338	-
General Expenses	2,04,033	1,92,173
Fair Value loss on Mutual Funds	28,44,026	-
Miscellaneous expenses	6,63,740	10,46,774
<b>Total</b>	<b><u>1,26,85,544</u></b>	<b><u>99,10,929</u></b>
<b>33. Exceptional Items</b>		
Credit balances written back	13,17,997	26,48,834
Subscription Deposit Written off	7,14,743	7,14,743
Cylinder Deposits written back	(3,31,337)	(3,31,337)
Profit on sale of assets	44,625	-
Sub lease Charges	-	(20,57,546)
<b>Total</b>	<b><u>17,46,028</u></b>	<b><u>9,74,694</u></b>

**Explanatory Notes & Other Disclosures**

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

S.No	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Bank Guarantee	55,14,916	41,24,470
(ii)	Claims made by dealers/distributors not acknowledged by the Company	5,94,315	5,94,315

34.1 b) (i) Estimated amount of contracts to be executed on capital account-NIL-  
In view of the Company's adverse financial position, interest payable to various distributors and dealers on their deposits would be negotiated with them for waiver. Hence, no provision is made for interest for the current year amounting to Rs.6,12,049/- (Previous year: Rs.6,13,849/-) and interest for earlier years amounting to Rs.1,15,69,268/-. Had the interest provision been made, the profit for the current year would have been less by Rs.6,12,049/- and current liabilities would have been more by Rs.1,21,81,317/-.

34.2 Consumers cylinder subscription deposits collected over a period of time amounting to Rs.7,14,743 is written back, as the cylinders are not returned for a long time. Out of this an amount of Rs.3,31,337 is adjusted against the Cylinder deposits paid by the Company and these amounts are shown as Exceptional item.

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

**34.3.1 Capital Management**

The company's capital management is intended to create value for shareholders by facilitating the 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 long-term product 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 othe current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Debt	Nil	Nil
(b) Cash & Cash Equivalents	22,12,630	7,96,091
(c) Net Debt (a) - (b)	(22,12,630)	(7,96,091)
(d) Total Equity	5,77,05,926	4,85,04,770
Net debt to equity ratio (c)/(d)	0	0

**34.3.2 Income Taxes****i. Current tax:**

Provision for current tax is not made, in view of the brought forward unabsorbed depreciation and business loss, in accordance with the provisions of the Income-tax Act, 1961 as well as book profits tax under Section 115JB of the Income-tax Act, 1961.

**ii. Deferred tax:**

a) The company has not recognized the reversal of deferred tax asset of Rs.48,86,846 /- (Previous year Rs. 65,65,791/-) since the company has not originally recognised any deferred tax asset on unused tax losses/ unused tax gain as it was not probable that sufficient future taxable profit will be available against which unused tax losses can be utilized in accordance with Ind AS 12 Income taxes.

**(b) Reconciliation of Tax Expense and Accounting profit multiplied by Applicable tax rate**

	Current Year (Rs.)	Previous Year (Rs.)
<b>(i) Tax expense recognized in Statement of Profit and loss</b>		
Current Tax	Nil	Nil
Deferred Tax (including MAT Credit Entitlement)	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>(ii) Effective tax Reconciliation</b>		
(a) Profit/(loss) before tax	93,95,293	89,39,474
(b) Applicable tax rate	27.82%	27.82%
(c) Tax expense on Net profit (a*b)	26,13,771	24,86,962
(d) Increase/(decrease) in tax expenses on account of:		
- Expenses not allowed under income tax	1,45,361	1,01,499
- Others	18,110	(4,768)
- Reversal of deferred tax asset on unused tax losses not recognized in books	(33,99,983)	(25,83,692)
- Fair Value loss on Mutual Funds	6,22,742	
Total (d)	(26,13,770)	(24,86,962)
(e) Tax Expense as per Statement of Profit and loss (c+d)	Nil	Nil

**34.3.3 Leases**

(a) Upfront premium paid in respect of land taken on lease for bottling plants located at various locations 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:	Current Year	Previous Year
Not later than one year	1,53,76,360	1,12,80,604
More than one year and less than five years	1,48,36,321	2,96,25,481

**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) Killa No. 170 & 171, Sampla Berry road, Ismaila Village, Rohtak, Haryana;
- 2) Plot No.37, Belur Industrial Estate, Dist. Dharwad, Karnataka;
- 3) Plot No. 124 & 125, Tupudana Industrial Estate, P.O. Hatia, Ranchi;
- 4) Plot No. A-134, Hirawala Industrial Area, Kanota, Jaipur;
- 5) Sector.11, Khargar Village, Taluka: PanvelDist: Raigad, Maharashtra; and
- 6) Plot No. B-3, Waluj Industrial Area, MIDC, Aurangabad, Maharashtra.

(c) The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets.

S.No	Particulars	Amount (In Rs)
(i)	Depreciation for the Year 2019-20 on Right of Use Asset	5,78,602
(ii)	Interest Expense on Lease Liability	1,87,220
(iii)	Total cash flows for Leases	9,26,275
(iv)	Additions to Right of use asset	67,60,328
(v)	Carrying amount of Right of use asset as on 31.03.2020	48,92,283

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Contribution to Provident and other funds	1,99,314	1,93,543
Contribution to Employee State Insurance	58,960	64,672
<b>Total</b>	<b>2,58,274</b>	<b>2,58,215</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.

**34.3.5 Related Party Disclosures**

a.	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	Relatives of Key Managerial Personnel
f.	Ms. Annapurna Kabra -	
g.	Mr. Rajiv Kabra (Chairman and Executive Director)	Key Managerial Personnel
h.	Mr. Krishna Murthy Motamarri (CFO)	
i.	Mr. Nagaraju Musinam (Company Secretary)	
j.	Mr. Venkata Subba Rao Pinapati (Independent Director)	
k.	Mr. Mangal Rathi (Independent Director)	
l.	Lata Engineering Company Private Ltd	Significant Shareholder
m.	Kabsons Technologies P. Ltd	Subsidiary Company of Significant Shareholder
n.	SK leasing services	Propriety concern owned by relatives of executive director
o.	AP leasing services	

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

Nature of transactions	Current Year	Previous Year
<b>Remuneration</b>		
- M Krishna murthy (CFO)	19,10,400	18,11,000
- Nagaraju Musinam (CS)	3,12,000	2,40,000
<b>Sitting fees</b>		
- P.V.Subba Rao (Independent Director)	16,000	16,000
- Mangal Rathi (Independent Director)	16,000	16,000

## (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	2,24,796	2,99,728
Less: Written off during the year	74,932	74,932
Outstanding at the end of the year	1,49,864	2,24,796
<b>Balance in current account (payable) / receivable</b>	<b>—</b>	<b>3,037</b>

## (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	1,80,000	1,80,000
Rental/hire charges paid	4,41,951	1,46,188
Purchase of gas	2,10,000	3,06,000
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	5,16,533	5,68,344
Less: Written off during the year against old deposits	64,311	64,311
Add: Paid for the Cylinders taken during the Year	37,500	12,500
Outstanding at the end of the year	4,89,722	5,16,533
<b>Balance in current account (payable) / receivable</b>	<b>18,728</b>	<b>22,103</b>

## (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	4,718	6,039
Annual maintenance charges	50,000	50,000
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	2,93,378	3,91,170
Less: Written off during the year	97,793	97,793
Outstanding at the end of the year	1,95,585	2,93,378
<b>Balance in current account (payable) / receivable</b>	<b>59,735</b>	<b>66,124</b>

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

Nature of transactions	Current Year	Previous Year
Transactions	Nil	Nil
<b>Balance in current account (payable) / receivable</b>	<b>Nil</b>	<b>13,16,180</b>

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

Cylinder deposit paid:	Current Year	Previous Year
Outstanding at the beginning of the year	78,156	1,04,208
Less: Written off during the year	26,052	26,062
Outstanding at the end of the year	52,094	78,156

## (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	1,17,000	1,56,000
Less: Written off during the year	39,000	39,000
Outstanding at the end of the year	78,000	1,17,000

## (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	87,750	1,17,000
Less: Written off during the year	29,250	29,250
Outstanding at the end of the year	58,500	87,750

**34.3.6 Financial Instruments****a. Financial Instruments by category**

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2020 is as follows:

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial Assets :</b>				
- Investments	76,68,840	-	-	76,68,840
- Trade Receivables	-	-	32,61,758	32,61,758
- Cash and Cash Equivalents	-	-	22,12,630	22,12,630
- Bank Balances other than Cash and Cash Equivalents	-	-	1,71,90,860	1,71,90,860
- Loans	-	-	41,000	41,000
- Other Financial Assets	-	-	43,81,713	43,81,713
<b>Total Financial Assets</b>	<b>76,68,840</b>	<b>-</b>	<b>2,70,87,961</b>	<b>3,47,56,801</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	23,69,527	23,69,527
- Other Financial Liabilities	-	-	3,71,79,491	3,71,79,491
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,95,49,018</b>	<b>3,95,49,018</b>

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2019 is as follows:

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial Assets :</b>				
- Investments	99,07,306	-	-	99,07,306
- Trade Receivables	-	-	41,30,173	41,30,173
- Cash and Cash Equivalents	-	-	7,96,091	7,96,091
- Bank Balances other than Cash and Cash Equivalents	-	-	76,50,729	76,50,729
- Loans	-	-	1,250	1,250
- Other Financial Assets	-	-	80,33,803	80,33,803
<b>Total Financial Assets</b>	<b>99,07,306</b>	<b>-</b>	<b>2,06,11,626</b>	<b>3,05,18,932</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	24,19,115	24,19,115
- Other Financial Liabilities	-	-	3,17,93,857	3,17,93,857
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,42,12,972</b>	<b>3,42,12,972</b>

**b. Fair value Hierarchy:**

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.

As at 31 <sup>st</sup> March 2020	Level 1	Level 2	Level 3	Total
Financial Assets :				
- Investments in Mutual Funds	76,68,840	-	-	76,68,840
As at 31 <sup>st</sup> March 2019	Level 1	Level 2	Level 3	Total
Financial Assets :				
- Investments in Mutual Funds	99,07,306	-	-	99,07,306

**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.

**34.3.7 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 the 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.

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	
	2019-20	2018-19	2019-20	2018-19
Mutual Fund (1% change in price)	76,688	99,073	Nil	Nil
<b>Total</b>	<b>76,688</b>	<b>99,073</b>	<b>Nil</b>	<b>Nil</b>

**(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:

(Rs. In Lakhs)

Particulars	Total	On Demand	< 1 year	1 to 5 years	> 5 years
<b>As at 31 March 2020</b>					
Other financial liabilities – Non Current	2,44,89,145	Nil	Nil	2,44,89,145	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	23,69,527	23,69,527	Nil	Nil	Nil
Other financial liabilities – Current	1,27,12,896	1,27,12,896	Nil	Nil	Nil
<b>Total</b>	<b>3,95,71,568</b>	<b>1,50,82,423</b>	<b>Nil</b>	<b>2,44,89,145</b>	<b>Nil</b>
<b>As at 31 March 2019</b>					
Other financial liabilities – Non Current	2,07,92,228	Nil	Nil	2,07,92,227	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	24,19,115	24,19,115	Nil	Nil	Nil
Other financial liabilities – Current	1,10,24,178	1,10,24,178	Nil	Nil	Nil
<b>Total</b>	<b>3,42,35,521</b>	<b>1,34,43,293</b>	<b>Nil</b>	<b>2,07,92,227</b>	<b>Nil</b>

**34.3.8 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)	5,73,01,136
<b>Services</b>	
Gas filling charges	1,07,44,364
Rental / hire charges	7,06,174
Plant Lease	56,27,200
Rent	1,04,00,318
Others	4,23,870
<b>TOTAL :</b>	<b>8,52,03,062</b>

**(b) Information about geographical are as**

Geographical Location	Revenues	Non Current Assets and other than financial instruments and deferred tax assets
(A) Within India	<b>8,52,03,062</b>	5,73,36,909
(B) Outside India	Nil	Nil
<b>TOTAL</b>	<b>8,52,03,062</b>	<b>5,73,36,909</b>

**(c) Information about major customer**

Revenue from transactions with a single customer exceeds 10% or more of equity revenues in case of 1 customer.

**34.3.9 Earnings per Share**

Particulars	Current Year	Previous Year
(a) Profit/(loss) after tax (in Rs.)	<b>93,95,293</b>	89,31,408
(b) Number of shares outstanding (face value of Rs. 10 each)	1,74,63,000	1,74,63,000
(c) Earnings Per Share (in Rs.)	0.54	0.51

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

On the basis of details furnished by the suppliers, there are no amounts to be reported as dues to micro, small and medium enterprises as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act").

**34.5** Previous Year's figures have been reclassified, wherever necessary so as to conform with those of Current Year.

As per our report of even date

For and on behalf of the Board of Directors

Sd/-

Sd/-

For **K.S. RAO & Co.,**

**P.V.SUBBA RAO**

**RAJIV KABRA**

Chartered Accountants

Director

Chairman & Executive Director

Firm's Regn.No.003109S

DIN : 02299552

DIN : 00038605

Sd/-

Sd/-

Sd/-

**(P. GOVARDHANA REDDY)**

**M.KRISHNA MURTHY**

**M. NAGARAJU**

Partner, Membership No.29193

Chief Financial Officer

Company Secretary  
cum Compliance Officer

Place : Hyderabad

Date : 29-06-2020





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

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2020</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	:	L23209TG1993PLC014458
ii	Registration Date	:	29/03/1993
iii	Name of the Company	:	<b>KABSONS INDUSTRIES LIMITED</b>
iv	Category/Sub-category of the Company	:	Public Company Limited By Shares
v	Address of the Registered office & contact details	:	Plot No. 17, H.No.8-2-293/82/C/17, Madhuw Vihar, 2 <sup>nd</sup> Floor, Road No.7, Jubilee Hills, Hyderabad, TELANGANA – 500033, INDIA
vi	Whether listed company	:	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	M/S.XL SOFTECH SYSTEMS LTD #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad, TELANGANA - 500 034, INDIA.

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	LPG Filling & Trading	19203	77.40
2	Plant Lease charges		22.60
			100.00

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATES COMPANIES**

Sl. No	Name & Address of the Company	CIN/GLN	Holding/ subsidiary / associate	% of Shares Held	Applicable Section
NIL					

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity):

##### I. CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year-1st April, 2019				No. of Shares held at the end of the year 31st March, 2020			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	9221400	---	9221400	52.81	9221400	---	9221400	52.81	--
b) Central Govt. or State Govt.									
c) Bodies Corporates	2659250	--	2659250	15.23	2659250	--	2659250	15.23	--
d) Bank/FI									
e) Any other									
<b>SUB TOTAL:(A) (1)</b>	<b>11880650</b>	<b>--</b>	<b>11880650</b>	<b>68.03</b>	<b>11880650</b>	<b>--</b>	<b>11880650</b>	<b>68.03</b>	<b>--</b>
<b>(2) Foreign</b>									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>11880650</b>	<b>--</b>	<b>11880650</b>	<b>68.03</b>	<b>11880650</b>	<b>--</b>	<b>11880650</b>	<b>68.03</b>	<b>---</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds									
b) Banks/FI	486456	100	486556	2.79	486456	100	486556	2.79	---
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	<b>486456</b>	<b>100</b>	<b>486556</b>	<b>2.79</b>	<b>486456</b>	<b>100</b>	<b>486556</b>	<b>2.79</b>	<b>---</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	92872	68600	161472	0.92	82166	68000	150166	0.86	-7.00
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	1379525	2724226	4103751	23.50	1430614	2693726	4124340	23.62	0.50
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	408613	270500	679113	3.89	422563	270500	693063	3.97	2.05
c) Others (specify)									
i) NRIs	-	-	-	-	-	-	-	-	-
ii) Non Repartiable	1200	-	1200	0.01	1700	-	1700	0.01	41.67
iii) Repartiable	24758	125500	150258	0.86	20025	106500	126525	0.72	-15.79
<b>SUB TOTAL (B)(2):</b>	<b>1906968</b>	<b>3188826</b>	<b>5095794</b>	<b>29.18</b>	<b>1957068</b>	<b>3138726</b>	<b>5095794</b>	<b>29.18</b>	<b>31.88</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2393424</b>	<b>3188926</b>	<b>5582350</b>	<b>31.97</b>	<b>2443524</b>	<b>3138826</b>	<b>5582350</b>	<b>31.97</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>14274074</b>	<b>3188926</b>	<b>17463000</b>	<b>100.00</b>	<b>14324174</b>	<b>3138826</b>	<b>17463000</b>	<b>100.00</b>	<b>0.00</b>

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2019			Shareholding at the end of the year 31st March, 2020			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Rajiv Kabra	9117400	52.21	--	9117400	52.21	--	--
2	Satish Kabra	81000	0.46	--	81000	0.46	--	--
3	Kavitha Kabra	20400	0.12	--	20400	0.12	--	--
4	G K Kabra	2100	0.01	--	2100	0.01	--	--
5	Ruchira Kabra	500	0.00	--	500	0.00	--	--
6	Lata Engineering Company Pvt Ltd	1011000	5.79	--	1011000	5.79	--	--
7	Kabsons Gas Equipments Pvt Ltd	738850	4.23	--	738850	4.23	--	--
8	Ideal Engineers Hyderabad Pvt Ltd	531800	3.05	--	531800	3.05	--	--
9	PKL Limited	200000	1.15	--	200000	1.15	--	--
10	Kabsons Technologies Pvt Ltd	141000	0.81	--	141000	0.81	--	--
11	Gasolec Appliances Pvt Ltd	16600	0.10	--	16600	0.10	--	--
12	Prakun Equipments Pvt Ltd	20000	0.11	--	20000	0.11	--	--
	<b>Total</b>	<b>11880650</b>	<b>68.03</b>	<b>--</b>	<b>11880650</b>	<b>68.03</b>		<b>--</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE):**

	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter Shareholding during the year		Cumulative Shareholding at the end of the year	
	No. of Shares	% of total Shares of the Company	Date	No. of Shares	No. of Shares	% of total Shares of the Company
At the beginning of the Year	11880650	68.03				
At the end of the Year					11880650	68.03

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of DRs & ADRs)**

Sl. No	Share holder's Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2020)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	ICICI Bank Limited	486456	2.79	-	-	-	486456	2.79
2	M Krishna Murthy	155450	0.89	-	-	-	155450	0.89
3	Amrutlal Ramji	95100	0.54	-	-	-	95100	0.54
4	Gyan Kumar Jhawar	31800	0.18	-	-	-	31800	0.18
5	Veena Jain	30000	0.17	-	-	-	30000	0.17
6	Mohammad Ayub Shaik	29500	0.17	-	-	-	29500	0.17
7	Shashi Gupta	25706	0.15	-	-	-	25706	0.15
8	Stanzia Lourdes Remedios	25000	0.14	-	-	-	25000	0.14
9	B Sabitha Reddy	22700	0.13	-	-	-	22700	0.13
10	Harijith Singh Sethi	22600	0.13	-	-	-	22600	0.13
	<b>Total:</b>	<b>924312</b>	<b>5.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>924312</b>	<b>5.29</b>

**(v) Shareholding of Directors & KMP**

Sl. No		Shareholding at the beginning of the year 01.04.2019		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (as on 31.03.2020)	
<b>For each of the Directors and KMP</b>		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Rajiv Kabra Executive Director DIN:00038605	9117400	52.21	-	-	-	9117400	52.21
2	P V Subba Rao Non Executive Director / Independent Director DIN:02299552	200	0.00	04-04-2019	(200)	Transfer	Nil	0.00
3	Mangali Rathi Non Executive/ Independent Director DIN:06966755	2500	0.01	-	-	-	2500	0.01
	Key Managieral Personnel							
1	M Krishna Murthy	151950	0.87	-	-	-	151950	0.87

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year- 1st April, 2018				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				-----NIL--
Change in Indebtedness during the financial year				
Additions				
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year-31 <sup>st</sup> March,2019				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI Remuneration of Directors And Key Managerial Personnel****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross Salary		
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify...		
5	Others, Please specify		
	Total (A)		
	Ceiling as per the Act		

**--NIL--**

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Director	Name of Director	Total Amount
		P V Subba Rao	Mangal Rathi	
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	--	--	--
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5	Independent Directors – Fee for attending Board/Committee meetings	16,000	16,000	<b>32,000</b>
	Total (A)	<b>16,000</b>	<b>16,000</b>	<b>32,000</b>
	Ceiling as per the Act			

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Executive Director	Company Secretary	Chief Financial Officer	Total
1	Gross Salary		3,12,000	16,20,000	19,32,000
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			2,90,400	2,90,400
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961				
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, Please specify				
	<b>Total</b>		<b>3,12,000</b>	<b>19,10,400</b>	<b>22,22,400</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

<b>A.COMPANY</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty					
Punishment					
Compounding			-- NIL --		
<b>B.DIRECTORS</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty					
Punishment					
Compounding			-- NIL --		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/COURT)	Appeal made, if any (Give Details)
Penalty					
Punishment					
Compounding			-- NIL --		