

# KABSONS INDUSTRIES LIMITED

REGD.Off. : "Madhuw Vihar" Second Floor, Plot No.17, H.No.8-2-293/82/C/17, Road No.7,

Jubilee Hills, Hyderabad – 500 033, Telangana, INDIA

Tel: 040-23554970, E-mail: operationslpg@gmail.com

Website: www.kabsons.co.in, Grievance redressal division Email: kilshareholders@gmail.com

CIN No: L23209TG1993PLC014458



30<sup>th</sup> August, 2022

To

The General Manager

Department of Corporate Services,

The Bombay Stock Exchange Limited

Floor 25, PJ Towers, Dalal Street,

Mumbai – 400001.

Sub: Notice of 30<sup>th</sup> AGM and Annual Report 2021-22

Ref: Scrip Code: 524675

Dear Sir/ Madam,

In compliance under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the 30<sup>th</sup> Annual Report of Kabsons Industries Limited for the financial year 2021-2022 comprising the Notice convening the 30<sup>th</sup> AGM of shareholders, Audited Balance Sheet as at 31st March, 2022, Statement of Profit and Loss for the year ended on that date, Statement of Changes in Equity for the year and Cash Flows Statement together with Notes to Financial Statements for the year ended 31st March 2022 and the reports of the Board of Directors and Auditors thereon. The 30th AGM will be held on Friday, September 23, 2022 at 3.30 p.m. IST through video conference and other audio visual means (VC).

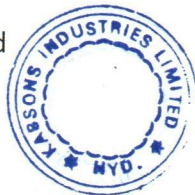
The Notice and the Annual Report will be made available on the Company's website at: <https://www.kabsons.co.in>.

This is for your information and record.

Yours faithfully

For Kabsons Industries Limited

*M. Nagaraju*



Nagaraju Musinam

Company Secretary cum Compliance Officer

30th Annual Report 2021 - 2022



**Kabsons Industries Limited**

## KABSONS INDUSTRIES LIMITED

### 30<sup>th</sup> Annual Report 2021 – 2022

<b>BOARD OF DIRECTORS</b>	Sri. Rajiv Kabra	Chairman and Managing Director [DIN:00038605]
	Sri. Venkata Subba Rao Pinapati	Independent Director [DIN:02299552]
	Smt. Mangal Rathi	Independent Director [DIN:06966755]
	Ms. Riha Kabra	Non Executive Director [DIN:08825577]
	Sri. Krishna Murthy Motamarri Sri. Nagaraju Musinam	Chief Financial Officer Company Secretary cum Compliance Officer

#### COMMITTEES OF THE BOARD

<b>AUDIT COMMITTEE</b>	Sri. P V Subba Rao	Chairman
	Sri. Rajiv Kabra	Member
	Smt. Mangal Rathi	Member

#### NOMINATION & REMUNERATION COMMITTEE

Sri. P V Subba Rao	Chairman
Smt. Mangal Rathi	Member
Ms. Riha Kabra	Member

#### Registered Office

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.kabsons.co.in  
Phone No: +91 40-23554970

#### Factory

Plot No.B-3, Phase 1, MIDC, Waluj, Aurangabad - 431 136. Maharashtra

#### SHARE TRANSFER & INVESTOR'S GRIEVANCE COMMITTEE

Sri. P V Subba Rao	Chairman
Sri. Rajiv Kabra	Member
Smt. Mangal Rathi	Member

#### Stock Exchanges Where company's Securities are Listed

**ISIN**  
BSE Limited  
INE645C01010

#### Bankers

HDFC Bank Limited  
State Bank of India

#### Auditors

M/s. K S Rao & Co.,  
Chartered Accountants  
Flat No.601A, Golden Green Appartments, Erramanzil Colony,  
Somajiguda, Hyderabad - 500 082.

#### Registrars & Share

M/S.XL SOFTECH SYSTEMS LTD

#### Transfer Agents

#3, Sagar Society, Banjara Hills, Hyderabad - 500 034.

#### Secretarial Auditors

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

**NOTICE OF 30th ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting (AGM) of Kabsons Industries Limited will be held on Friday, the 23<sup>rd</sup> day of September, 2022 at 3.30 p.m. through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business. The Venue of the meeting shall be deemed to be the Registered Office of the Company situated at Madhuw Vihar, Second Floor, Plot No.17, # 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, 2022 together with the Reports of the Directors and Auditors thereon.

**Item No.2 – Re-appointment of Ms. RihaKabra, as a Director liable to retire by rotation**

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

**Item No. 3 – Reappointment of M/s. K. S. Rao & Co., Chartered Accountants, (Firm Registration No.003109S), as Statutory Auditors of the Company**

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

**RESOLVED THAT** pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, **M/s. K. S. Rao & Co., Chartered Accountants, (Firm Registration No.003109S)**, be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 30<sup>th</sup>AGM till the conclusion of the 35th AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.

**Special Business:**

**Item No.4–Amendment in Object Clause of the Memorandum of Association of the Company**

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

**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under and subject to the approval of the concerned Registrar of Companies Ministry of Corporate Affairs, consent of the shareholders by way of Special Resolution and is hereby accorded to append the following sub clauses (4) and (5) after sub clause (3) of clause III (A) of the Memorandum of Association of Company:

- (4) To carry on the business of Hotels, Motels, Restaurants, Holiday Camps, Resorts, Short Term to Long Term Accommodations, refreshment rooms, night clubs, cabarets and swimming pools and lodging or apartment house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, distillers, bakers and confectioners and importers of aerated mineral and artificial water and other drinks.
- (5) To act as tour operators, hotel management consultants, managers, operators, advisors, planners, valuers and to impart technical know-how and training in the field of planning, construction, operation of hotels, motels, restaurants, recreation and entertainment centres in the field of tourism industry whether in India or abroad and to purchase erect or otherwise acquire, establish and equip and act as collaborators, technicians, financiers to any other hotel or restaurant in India or abroad holiday resorts of tourist interest or any other place either in India or any part of the world.

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

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad  
Date : 11.08.2022

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. The Explanatory Statement pursuant to the Section 102 of the Companies Act, 2013, in respect of the Ordinary and Special Businesses as set out under Item No. 3 & 4 of the above notice is annexed hereto.
2. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and CircularSEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to operationslpg@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com
6. The Register of directors and keymanagerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to operationslpg@gmail.com.

7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 30<sup>th</sup> AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
8. The relevant details required to be given under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment at this AGM is annexed hereto.
9. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 15, 2022, may cast their votes electronically. The e-voting period commences on Tuesday, September 20, 2022 (9:00 a.m. IST) and ends on Thursday, September 22, 2022 (5:00 p.m. IST). The e-voting module will be disabled by CDSL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 15, 2022. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
12. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Kindly refer below for instruction for e-voting during the AGM.
13. The Register of Members and Transfer Book of the Company will be closed from 16<sup>th</sup> September 2022 to 23<sup>rd</sup> September 2022 (both days inclusive).
14. In compliance with the Circulars, the Annual Report 2021-2022, the Notice of the 30th AGM and instructions for e voting are being sent through electronic mode to those members whose email addresses are registered with the Company/depository participant(s). The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.kabsons.co.in](http://www.kabsons.co.in). The Notice can also be accessed from the websites of the 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).
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
16. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
17. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to M/s. XL Softech Limited / Investor Service Department of the Company immediately.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01st April 2019, except in case of request received for transmission or transposition of securities. 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.
19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
20. 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.
21. The Board of Directors has appointed M/s B S S & Associates, Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the E AGM in a fair and transparent manner. The Scrutinizer's decision on the validity of the vote shall be final.
22. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence in any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., September 23, 2022.





23. The Results declared along with the consolidated Scrutinizer’s Report shall be hosted on the website of the Company i.e. [www.kabsons.co.in](http://www.kabsons.co.in). The results shall simultaneously be communicated to BSE Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

24. 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.

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

- (i) The voting period begins on Tuesday, 20<sup>th</sup> day of September, 2022 at 9.00 a.m. IST and ends on Thursday, 22<sup>nd</sup> day of September, 2022 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 Thursday, the 15<sup>th</sup> day of September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>

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

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

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

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

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

	<p><b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b></p>
<p><b>PAN</b></p>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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>
<p>Dividend Bank Details <b>OR</b> Date of Birth (DOB)</p>	<p>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.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUCIÓN DESCRIPTION" and against the same the option "YES NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [operationslpg@gmail.com](mailto:operationslpg@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e voting system for the scrutinizer to verify the same.

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

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



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

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

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, 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 toll free no. 1800 22 55 33.

**APPEAL TO MEMBERS**

The Company would like to appeal and encourage its members to hold their shares in dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/ Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat mode. The detailed procedure of Dematerialization of shares is also given on the website of the Company under Investor Relations Section. The members may also get in touch with M/S.XL Softech Systems Ltd at [xlfield@gmail.com](mailto: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 : 11.08.2022

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](mailto:operationslpg@gmail.com)

**Explanatory Statement**

**Item No. 3 – Reappointment of M/s. K. S. Rao & Co., Chartered Accountants, as statutory auditors of the Company**  
 M/s. K. S. Rao & Co., Chartered Accountants, (Firm Registration No.003109S), were appointed as statutory auditors of the Company at the 25th AGM held on September 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 30<sup>th</sup> AGM to be held in the year 2022. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years.

**M/s. K. S. Rao & Co.,** is eligible for reappointment for a further period of five years. Based on the recommendations of the audit committee, the Board of Directors, at its meeting held on August 11, 2022, approved the reappointment of **M/s. K. S. Rao & Co.,** as the statutory auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 35<sup>th</sup>AGM to be held in the year 2027 at a remuneration upto Rs.1,25,000 plus applicable taxes and reimbursement of out-of-pocket expenses for the financial year ending March 31, 2023. The reappointment is subject to approval of the shareholders of the Company. Considering the evaluation of the past performance, experience and expertise of the Auditors and based on the recommendation of the audit committee, it is proposed to appoint them as statutory auditors of the Company for a second term of five consecutive years till the conclusion of the 35th AGM of the Company in terms of the aforesaid provisions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the resolution set forth in item no. 3 for the approval of members.

**Item No. 4:**

**Alteration of Memorandum of Association of the Company**

The company is engaged in the business of gas filling, distribution of liquefied petroleum gas and manufacturing gas cylinders. The company has a proposal for diversification into other area which would be profitable for the Company as part of diversification Plans along with its existing activity. Hence the Company needs to be added new business activity related to Hotels and tourism by altering its object clause of Memorandum of Association.

The Companies Act, 2013 requires the Company to obtain the approval of members by way of Special Resolution for the alteration of the Memorandum of Association of the Company in respect of change of object clause. Such Alteration in the Main Objects would require the approval of members by passing a Special Resolution.

A copy of the Memorandum of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company.

The Board recommends the resolution given at Sr. No. 4 of this notice for your approval as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends the resolution set forth in item no. 4 for the approval of members.

By Order of the Board of Directors of  
 Kabsons Industries Limited

Sd/-  
 Nagaraju Musinam  
 Company Secretary  
 M No.A48209

Place : Hyderabad  
 Date : 11.08.2022

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

Name of the Director	RIHA KABRA
DIN	08825577
Date of Birth	24/12/1997
Age	24 Years
Qualification	BSc Hons in Sociology with Psychology
Experience	Learning & Development and Organisational Development Professional
Date of First Appointment on the Board	27.08.2020
Nature of Appointment	Retires by rotation and offers herself for re-appointment.
Terms and Conditions of Reappointment	Re-appointment as a Director
Inter-se relationship with other Directors of the Company	Daughter of Rajiv Kabra, Managing Director
Number of Board Meetings attended	4
No of Shares held	Nil
Directorships in other Listed Companies	Nil
Membership/Chairmanship of Committees of the Board	Nil

By Order of the Board of Directors of  
 Kabsons Industries Limited

Sd/-  
 Nagaraju Musinam  
 Company Secretary  
 M No.A48209

Place : Hyderabad  
 Date : 11.08.2022

## BOARD'S REPORT

To  
The Members of **KABSONS INDUSTRIES LIMITED**,  
Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS:

(Rs.in Lakhs)

	Financial Year 2021-2022	Financial Year 2020-2021
Revenue from operations	1135.18	599.88
Other Income	61.31	75.37
<b>Total Revenue</b>	<b>1196.49</b>	<b>675.24</b>
Total Expenses	1040.19	577.00
Profit before Finance Cost, Depreciation & exceptional items	208.17	137.87
Finance Cost	4.84	7.09
Depreciation	47.03	32.53
Exceptional items	3.83	12.61
Profit/ (Loss) before Tax	160.13	110.86
Tax Expenses (Earlier year Tax Paid)	0.05	0.02
Profit after Tax	160.08	110.84
Basic & Diluted Earnings per share of Rs.10/- each	0.92	0.63

### Discussion on Financial Performance:

#### Operations and Business Performance:

During the year under consideration, the Company has generated a profit of Rs. 208.17Lacs before finance costs, depreciation and exceptional items as against a profit of Rs. 137.87Lacs 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, a new factory shed at our Aurangabad premises is constructed which also improved the revenues for the year to the company. The company also started during this year Bottling at our Ranchi plant for one of the parallel marketers which also improved the revenues.

#### 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.

#### 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, 2022 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, 2022 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 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 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 2021-2022 which were in conflict with the interest 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.

**Related party Transactions:**

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**

Your Company has not given any Loans / Guarantees and not made any Investments during the FY 2021-22, as specified under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**Number of Board Meetings held**

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, 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 – Managing 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, Ms. Riha Kabra, Non Executive Director of the Company is liable to retire by rotation and being eligible, has offered herself for re-appointment.

**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 12.02.2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Managing Director and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- They have prepared the annual accounts on a going concern basis;
- 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
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 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.

### Policy on Directors' Appointment and Remuneration and Other Details

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

### Statutory Auditors

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s. K S Rao & Co., Chartered Accountants, (Firm Registration No.003109S) were appointed as Statutory Auditor of the Company at the 25th AGM held on September 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 30<sup>th</sup> AGM to be held in theyear 2022. The term of office of M/s. K. S. Rao & Co., Chartered Accountants, (Firm Registration No.003109S), as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the audit committee, at its meeting held on August 11, 2022, reappointed M/s. K. S. Rao & Co., Chartered Accountants, (Firm Registration No.003109S) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from the conclusion of the 30<sup>th</sup> AGM till the conclusion of the 35th AGM to be held in the year 2027 and will be placed for the approval of the shareholders at the ensuing AGM.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013.

The Board recommends their reappointment to the shareholders. The notice convening the 30<sup>th</sup> AGM to be held on September 23, 2022 sets out the details.

### 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:

- The company has not adopted and complied with requirements of IND AS 19 'Employee Benefits' in respect of the gratuity liability which constitute a departure from the Indian Accounting Standards.
- 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 Rs.1,27,93,366/- 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 1,34,05,415/- and understatement of Current Liabilities by Rs. 1,34,05,415/-

**Management View:** 1) In view of very limited strength of employees, presently working with the Company, the requirements of AS-19 Employee Benefits in respect of gratuity could not be complied with. However, provision for gratuity as required under Payment of Gratuity Act has been provided for. 2) 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 overstatement of profit by that amount and understatement of Current liabilities by Rs.1,34,05,415.

### 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 2021-2022. The Secretarial Audit Report is annexed herewith as **Annexure - II**.



### **Qualification by Secretarial Auditor**

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

### **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**

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

### **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.

### **Annual Return**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Annual Return in eform MGT 7 is placed at the company website at [https:// www.kabsons.co.in](https://www.kabsons.co.in)

### **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.1,81,922/- to Ahmedabad Stock Exchange Ltd and The Calcutta Stock Association Ltd respectively.

The company has paid the listing fee BSE for the financial year 2021-22.

#### **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 Managing 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.

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

Sd/-

Rajiv Kabra

Chairman & Managing Director

DIN : 00038605

Place : Hyderabad

Date : 11.08.2022

**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 arm's length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive directors vis-a-vis the Company.

For and on behalf of the Board of Directors of

Kabsons Industries Limited

Sd/-

Rajiv Kabra

Chairman & Managing Director

DIN : 00038605

Place : Hyderabad

Date : 11.08.2022

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

**For the Financial Year ended 31<sup>st</sup> March, 2022**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s.Kabsons Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **M/s. Kabsons Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022, 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, 2022 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the Audit Period;**
  - d. The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable to the Company during the Audit Period;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities during the audit period;**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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.

Place: Hyderabad  
Date: 11.08.2022

For **B S S & Associates**

Company Secretaries

S Srikanth

Partner

ACS: 22119; CP: 7999

UDIN: A022119D000779359

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.

To,  
The Members,

**Kabsons Industries Limited,**

[CIN: L23209TG1993PLC014458]

Madhuw Vihar, Second Floor,

Plot No.17 8-2-293/82/C/17,

Jubilee Hills, Road No.7, Hyderabad,

Telangana – 500033.

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

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

Place: Hyderabad  
Date: 11.08.2022

For **B S S & Associates**

Company Secretaries

S Srikanth

Partner

ACS: 22119; CP: 7999

UDIN: A022119D000779359



## Annexure - III

**MANAGEMENT DISCUSSION AND ANALYSIS****Industry structure and developments**

Liquefied Petroleum Gas or LPG is a group of flammable hydrocarbon gases that are liquefied through pressurization and commonly used as fuel. It is a natural element derived by combination with other hydrocarbon fuels, typically crude oil and natural gas. It is produced during natural gas processing or refining and liquefied through pressurization. LPG is stored and transported in pressure vessels. Over 90% of demand for LPG demand in India comes from domestic consumers, the consistent hike in excise duty of automotive fuels such as diesel and petrol has made commercial LPG a favorable option for automotive segment as well.

The Government's initiative to make clean fuel available to every household (under the Ujjwala Yojana) has made India the second largest consumer of LPG fuel globally. On an average, India consumes 20 million tones per annum with an average growth in excess of 8% per annum. LPG penetration in the rural areas also continued to be Government schemes.

Ujjwala 2.0 launched by the Government is expected to keep the demand robust for LPG cylinder manufacturing in coming years. In the Union budget for FY 21-22, provision for an additional one crore LPG connection under the PMUY scheme was announced. These one crore additional PMUY connections (under Ujjwala 2.0) aim to provide deposit-free LPG connections to those low-income families who could not be covered under the earlier phase of PMUY.

**Opportunities and Threats****Opportunities:**

The Central Government may 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. Government has set up a 5 Member Committee on 30-05-2019 to review the existing frame work of LPG marketing and will also assess the need, if any to liberalize Government Policies to increase the participation of Private Sector in LPG marketing in the Country. There is Most of the LPG volume is handled by PSU's for domestic supplies. The Government of India had issued more than 8 crore connections under Pradhan Manthri Ujjwala Yojana (PMUY) scheme, leaving very limited opportunity for Domestic Parallel Marketers.

**Threats**

The company does not foresee any major threat within the LPG industry. However, over the next 8 to 10 years the major threat is from the Piped Natural Gas network and Electrical Vehicles. However, with the complexities and investments involved to make PNG and EV a success, especially the lower disposable income, larger geographical bottlenecks of the country, the time frame may extend. The impact of any future waves of Corona virus and consequent lockdowns of varying degrees of severity, as well as the decline in the economic activity will result in uncertainty and the impact on volumes, margins and earnings is also uncertain.

**Management of Risks**

Risk is an integral factor in virtually in all types of businesses and have to be addressed and mitigated to minimize the risks. Risks are adequately identified, estimated and controlled by proper risk mitigations. There is considerable pressure to keep up the realization from the services in view of highly competitive market.

**Outlook**

Revenue of the company continues to come from servicing other large private players and also leasing out the facilities. Construction of new factory shed at Aurangabad for use by third party. All the Plants of our Company continue to be operational either by our own or third-party bottling or on leasing out except LPG Bottling Plant located at Jaipur. The company is taking all efforts to improve the revenue from the coming years. LPG demand from the residential segment is expected to witness heavy. We expect the demand to rise from Auto LPG (as mobility increases), commercial and industrial consumption.

### 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.

### Discussion on financial performance with respect to operational performance.

During the year under review, the total income of the company stood at Rs.1,196.49 Lacs for FY 2021-22 against Rs.675.24 Lacs for FY 2020-21 and the profit after tax 160.08 Lacs as against Rs.110.84 Lacs for FY 2020-21. The total revenue and net profit of the company increased by 44.42% and 15.18% compared to the previous financial year respectively.

### Material Developments in HRD and industrial Relations Front:

Your Directors recognize the value of employees as valuable assets. Developing, motivating, and retaining talented employees is a key responsibility and policy of your Company's management. The total no. of people employed by the company were 21 at year end.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

### 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 2021-22.	Remuneration Paid For the year 2020-21.	Increase in Remuneration From Previous Year	Ratio/times for median of Employee Remuneration
1.	M Krishna Murthy	Chief Financial Officer	20,91,900	19,10,400	1,85,000	11.06
2.	Nagaraju Musinam	Company Secretary cum Compliance officer	3,36,000	3,12,000	24,000	1.17

- Number of permanent employees on the roles of the company: 21
- 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.

For and on behalf of the Board of Directors of  
Kabsons Industries Limited  
Sd/-

Rajiv Kabra  
Chairman & Managing Director  
DIN : 00038605

Place : Hyderabad  
Date : 11.08.2022

**ANNEXURE - V**  
**REPORT ON CORPORATE GOVERNANCE**

**1. Corporate Governance Philosophy**

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

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

The Board of Directors had an optimum combination of Executive and Non-Executive Directors. As on 31.03.2022, the Board of Directors have four (4) members, of whom one (01) is Managing Director and one (01) is Non-Executive Director and two (2) are Independent Directors one of whom is a Woman Director. Except the Independent Directors and Executive Directors all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. As the Chairperson of the Board of Directors is an Executive Promoter Director, at least half of the Board of Directors of the Company should consist of Independent Directors.

**(ii)** The names and categories of the Directors on the Board, attendance at the Board Meetings and Annual General Meeting of the Company and also the number of Directorships and Committee Memberships and Chairmanship held by them during 2021-2022 in other Companies are as under:

Name of the Director	Category	Number of board meeting held during the year 2021-22		Whether attended last AGM held on 22.09.2021	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
* Rajiv Kabra	Managing Director	4	4	Yes	1	-	-	-
** Riha Kabra	Non Executive Director Promotor	4	4	Yes	-	-	-	-
P V Subba Rao	Non Executive Independent Director	4	4	Yes	-	-	-	-
Mangal Rathi	Non Executive Independent Director	4	4	Yes	-	-	-	-

**(iii)** Directorships and their category in other listed entities: Nil.

**(iv) Number of Board Meetings held during the Financial Year 2021-2022 and dates on which held:**

As on 31st March, 2022, the Board held four meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are: 29.06.2021, 14.08.2021, 13.11.2021 & 12.02.2022

None of the Directors on the Board held directorships in more than eight listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2022 have been made by the Directors.

**(v)** Disclosure of relationships between directors inter-se: Rajiv Kabra and Riha Kabra are father and Daughter

**(vi)** All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. On the expiry of their previous term as independent directors, were reappointed for a period of 5 years. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

**(vii)** During the year under report, all the information as applicable and falling under Part A of the Schedule II of SEBI Listing Regulations, were placed before the Board for its consideration.

**(viii)** The terms and conditions of appointment of the Independent Directors are available on the website of the Company.

**(ix)** During the year, the Independent Directors separately held a meeting on 12.02.2022.

**(x)** The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.

**(xi)** The details of the familiarization programme of the Independent Directors are available on the website of the Company.

**(xii)** In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

**(xiii)** Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

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

**Board Skill Matrix:**

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

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

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

(xiv) Details of equity shares of the Company held by the Directors as on 31st March, 2022 are given below:

Rajiv Kabra	Chairman & Managing Director	91,19,500
Riha Kabra	Non Executive Director Promoter	0
P V Subba Rao	Non-Executive Independent Director	0
Mangal Rathi	Non-Executive Independent Directors	2500

As on 31st March, 2022, none of the other Directors other than the mentioned above were holding any shares in the company.

(xv) Detailed reasons for the resignation of an independent director who resigns before the expiry of his [/her] tenure along with a confirmation by such director that there are no other material reasons other than those provided: If any - Nil.

Category	No. of Directors	Names of the Directors
Executive Directors (Promoter)	01	* Rajiv Kabra
Non Executive Director (Promoter)	01	**Riha Kabra
Non-Executive Independent Directors	02	1. P V Subba Rao 2. Mangal Rathi
Total	04	

## 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 2022:

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

As on 31<sup>st</sup> March 2022 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 22<sup>nd</sup> September 2021. The audit committee met 4 times during the year on 29.06.2021, 14.08.2021, 13.11.2021 & 12.02.2022. 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	Independent & non Executive director	4	4
Mr. Rajiv Kabra	Member	Executive Director	4	4
Mrs. Mangal Rathi	Member	Independent & Non-Executive Director	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 2022:

1. Mr. P V Subba Rao - Chairman
2. Mrs. Mangal Rathi – Member
3. Mr. Rajiv Kabra- Member
4. Ms. Riha 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	2	2
Mr. Rajiv Kabra	Member	Executive Director	2	2
Mrs. Mangal Rathi	Member	Independent & Non-Executive Director	2	2
* Ms. Riha Kabra	Member	Promotor Non Executive Director	2	2



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 and one non Executive Director. Mr. PV Subba Rao was the chairman of the committee. Mr. Rajiv Kabra, Ms. Riha Kabra and Ms. Mangal Rathi are the other members. During the financial year 2021-2022 the committee met on 29.06.2021, 14.08.2021

**Criteria for Performance evaluation:**

**(IV) Remuneration Policy:**

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- 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;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- 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 4 directors, one is Managing Director. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. However no remuneration is being paid even to the Managing Director. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**a) Details of Remuneration paid to the all the Directors during the financial year 2021-2022 – NIL –**

**Details of Sitting Fees paid to Non-Executive Directors during the financial year 2021-2022**

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	20,000	-	-	-	20,000
Mrs. Mangal Rathi	20,000	-	-	-	20,000
Ms. Riha Kabra	20,000	-	-	-	20,000

**c) Details of shareholding of Directors as on 31<sup>st</sup> March, 2022**

As on 31<sup>st</sup> March 2022, the company had Managing Director and three non-executive directors. The Managing Director, Mr. Rajiv Kabra holds 91,19,500 equity shares in the company. Among the non-executive directors Mr. P V Subba Rao holds **NIL** equity shares, Mrs. Mangal Rathi holds 2,500 and MS Riha Kabra holds **NIL** 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 on 12.02.2022 during the year 2021-2022.

**Complaints received and redressed during the year 2021-2022**

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

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". 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	1	1
Smt. Mangal Rathi Member	Independent & Non-Executive Director	1	1
Mr. Rajiv Kabra Member	Executive Director	1	1

**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 12.02.2022.

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 Chairman	Managing Director	1	1
Mr. P V Subba Rao Member	Independent & Non-Executive Director	1	1
Smt. Mangal Rathi Member	Independent & Non-Executive Director	1	1

Mr. Rajiv Kabra, Managing 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
Through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") Madhuw Vihar, Second Floor, Plot No.17, H.No. 8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033	2020-2021	22 <sup>nd</sup> September, 2021, 3.30 PM
Through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") Madhuw Vihar, Second Floor, Plot No.17, H.No. 8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033	2019-2020	30 <sup>th</sup> September, 2020, 4.30 P.M.
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.

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

AGM	Subject
September 22, 2021	Special Resolution: Re-designation of Sri. Rajiv Kabra as Managing Director of the Company
September 30, 2020	NIL
September 26, 2019	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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</li> </ol>

**(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 2021-2022.

**(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 a 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) MD/CFO Certification**

The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2022 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 2022 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. 1,44,44,374 equity shares representing 82.71% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2022.

**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.kabsons.co.in](http://www.kabsons.co.in). 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.kabsons.co.in](http://www.kabsons.co.in). As provided under the SEBI (LODR) Regulations, 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2021-2022.

**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 : 23.09.2022 at 3.30 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 2022-2023****Particulars**

<b>Particulars</b>	<b>Tentative Schedule</b>
Quarter ending on 30 <sup>th</sup> June, 2022	Held on August 11, 2022
Quarter ending on 30 <sup>th</sup> September, 2022	On or before November 14, 2022
Quarter ending on 31 <sup>st</sup> December, 2022	On or before February 14, 2023
Quarter ending on 31 <sup>st</sup> March, 2023 & Annual Result of 2022-2023	On or before May 30, 2023
Date of Book Closure for the financial year 2021-2022	September 16, 2022 to September 23, 2022 (both days include)

**e) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Friday, 16 September, 2022 to Friday, 23 September, 2022 (both days inclusive) for the purpose of 30<sup>th</sup> Annual General Meeting.

**f) Particulars of Dividend for the year ended 31.03.2022**

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 2021-22 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, 2021	10.96	5.42
May, 2021	10.54	7.25
June, 2021	11.48	7.39
July, 2021	10.45	8.77
August, 2021	9.28	7.59
September, 2021	8.62	7.62
October, 2021	8.78	7.88
November, 2021	9.12	7.85
December, 2021	12.2	9.05
January, 2022	20.81	12.81
February, 2022	18.05	11.70
March, 2022	18.25	11.89

**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.

- 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 2022**

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total No. of Shares held	% of Capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	7		26,58,852	26,58,852	15.23
b. Directors & their relatives	4		92,21,400	92,21,400	52.81
<b>Public Shareholding</b>					
<b>I. Institutions</b>					
Mutual Funds/UTI					
Financial Institutions/Banks	2	100	3,55,018	3,55,118	2.03
Insurance Companies					
Foreign Institutional Investors					
Any others - Bodies Corporate	135	69,200	76,443	1,45,643	0.83
<b>II. Non Institutions</b>					
Individual share capital upto Rs. 2 Lacs	20158	27,14,626	18,65,282	4579908	26.23
Individual share capital in excess of Rs. 2 Lacs	4	1,26,900	1,77,550	304450	1.74
Any others					
Non Resident Indians (NRI)	45	1,06,500	13,519	120019	0.72
Trusts	1	0	100	100	0.00
Clearing member	15	0	14,000	14000	0.05
HUF	88	1,300	62,210	63510	0.47
<b>Total</b>	<b>20,459</b>	<b>30,18,626</b>	<b>1,44,44,374</b>	<b>1,74,63,000</b>	<b>100.00</b>



I) Distribution of Shareholding as on 31<sup>st</sup> March 2022

Shareholdings of nominal value of (Rs.)	Shareholders		Share Amount	
	Nos	%	In Rs.	%
Upto 5,000	19,243	94.06	2,22,84,160	12.76
5,001 – 10,000	464	2.27	38,09,450	2.18
10,001 – 20,000	223	1.09	34,24,830	1.96
20,001 – 30,000	367	1.79	92,31,600	5.29
30,001 – 40,000	36	0.18	12,64,460	0.73
40,001 – 50,000	47	0.23	22,69,190	1.3
50,001 – 1,00,000	39	0.19	29,38,260	1.68
1,00,001 and Above	40	0.19	12,94,08,050	74.10
Total	20,459	100.00	17,46,30,000	100.00

## 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 & 171Sampla Berry Road, Ismaila Village, Rohtak, Haryana - 124517

## 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](mailto:operationslpg@gmail.com)

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

## 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.kabsons.co.in](http://www.kabsons.co.in)

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](http://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.1,10,000/-was paid to the Statutory Auditors towards all services rendered by them to the company for the year 2021-22.

## Annexure – VI

**Declaration by Managing 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, 2022.

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

Sd/-

Rajiv Kabra  
Chairman and Managing Director  
DIN : 00038605

Place : Hyderabad  
Date : 11.08.2022

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

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

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

Place: Hyderabad  
Date: 11-08-2022

Rajiv Kabra  
Managing Director  
DIN:00038605

M Krishna Murthy  
Chief Financial Officer

**Certificate on Corporate Governance**

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

We have examined the compliance of conditions of Corporate Governance by Kabsons Industries Limited ('the Company') for the financial year ended on March 31, 2022, as stipulated under Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27, clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

Place : Hyderabad  
Date : 11.08.2022

**For B S S & Associates**  
Company Secretaries  
Sd/-  
S Srikanth  
Partner  
ACS: 22119 CP: 7999  
UDIN: A022119D000779392

**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 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	Name of the 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
4.	Ms. Riha Kabra	08825577	27/08/2020

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

**For B S S & Associates**

Company Secretaries

Sd/-

S Srikanth

Partner

ACS: 22119 CP: 7999

UDIN: A022119D000779381

Place : Hyderabad

Date : 11.08.2022

### Independent Auditor's Report

To the members of **TheKABSONS 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, 2022, 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, 2022, 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 Rs.1,27,93,366/- 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.1,34,05,415/- and understatement of Current Liabilities by Rs.1,34,05,415/-

#### 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. As, the utilization of deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses before they expire. We determined this to be a key audit matter due to inherent limitations in estimation and uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences and utilization of tax losses. Management has supported the non -utilization of the deferred tax assets mainly with taxable income projections which contain estimates of and tax strategies for future taxable income. Changes in the industrial scenario, the business and its markets and changes in regulations may impact these projections.

#### 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;



- 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 excepting Ind AS 19 (Employee Benefits);
  - e) on the basis of written representations received from the directors as on 31<sup>st</sup>March2022taken on record by the Board of Directors, none of the directors is disqualified as on31<sup>st</sup>March2022 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 34.1 (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	19.10.2001

- iv. (a) the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the accounts, no funds (which are material either individually or in the aggregate) have been advanced (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, to or in, any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) the Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. the Company had not declared or paid any dividend during the year under Report.

for **K. S. RAO & Co.,**  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN: 22029193 AKLIIB3598

Place : Hyderabad  
Date : 18th May 2022

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

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kabsons Industries Limited for the year ended 31<sup>st</sup> March, 2022.

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

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

- i) (a) (A) the Company maintains proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment;
- (B) the Company maintains proper records showing full particulars of intangible assets
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) the title deeds of all the immovable properties (other than properties where the Company is the Lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements are held in the name of the Company;
- (d) the Company has not revalued its Property, Plant and Equipment;
- (e) no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii) (a) the inventory has been physically verified by the management at reasonable intervals during the year under report and the discrepancies noticed during such physical verification of inventories as compared to book records have been properly dealt with in the books of account;
- (b) the Company has not availed any working capital limits on the security of current assets. Hence Para 3(ii) (b) of the said Order is not applicable regarding the submission of quarterly returns.
- iii) the company has not made investments in provided any guarantee or security granted any loans or advances in the nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of Clauses (a) to (f) of sub para (iii) of Para 3 of the said Order are not applicable for the year under report
- iv) in view of our comment given in (iii) para above para (iv) of the above said Order is not applicable in respect of compliance with the provisions of sections 185 and 186 of the Act;
- v) the Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company;
- 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 except the investor education and protection fund.

Amount (Rs.)	Period to which amount relates to	Due date
22,550	1994-95	19.10.2001

- (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 which have not been deposited on account of any dispute;
- viii) there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, reporting under clause 3(viii) is not applicable
- ix) according to the records of the company examined by us, and the information and explanations given to us, the company had not borrowed any loan from any lender. Therefore, the provision of clause 3(ix) of the Order is not applicable;
- x) (a) 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) Therefore, the provision of clause 3(x) (a) of the Order is not applicable;
- (b) the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, para 3(x) (b) of the said Order is not applicable
- xi) (a) during the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor we have been informed any such cases by the management;
- (b) no report, under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, is filed with the Central Government during the year and as on the date of issuance of our Audit Report;
- (c) as represented to us by the management, there are no whistle blower complaints received by the company during the year
- xii) the company is not a Nidhi Company. Therefore, the 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) (a) the Company has internal audit system commensurate with the nature and size of the business;
- (b) the reports of the internal auditor were considered for the period under audit;
- xv) 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
- xvii) the company has not incurred any cash losses in the financial year and immediately preceding financial year
- xviii) there has not been any resignation of the statutory auditors during the year
- xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans no material uncertainty exists as on date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) the Company is not obliged to spend amounts for CSR activities since the Company does not fall in the category of Companies mentioned in section 135 of the Companies Act. Hence the paras 3(xx) (a) and (b) of the said Order not applicable

for **K. S. RAO & Co.,**  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN: 22029193 AKLIIB3598

Place : Hyderabad

Date : 18th May 2022

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

The Annexure referred to in Paragraph 2(f) under the heading "Report on other Legal and Regulatory Requirements" of our report of even date, to the members of **KABSONS INDUSTRIES LIMITED** for the year ended 31st March 2022

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

We have audited the internal financial controls with reference to financial statements of **KABSONS INDUSTRIES LIMITED** ("the Company") as of 31st March 2022 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 control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, 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 : 18th May 2022

for **K. S. RAO & Co.,**  
Chartered Accountants  
Firm Registration No:003109S  
Sd/-  
**(P. GOVARDHANA REDDY)**  
Partner  
Membership no:029193  
UDIN: 22029193 AKLIIB3598

**BALANCE SHEET AS AT 31st MARCH 2022** (All amounts in rupees, unless otherwise stated)

Particulars	Note No.	As at	
		31st March 2022	31st March 2021
1	2	3	4
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2(a)	5,21,18,369	4,92,26,634
(b) Capital Work-in-Progress	2(b)	-	-
(c) Investment Property	3	6,77,392	6,94,636
(d) Other Intangible assets	4	428	428
(e) Right of use asset	5	73,31,548	79,06,947
(e) Financial Assets			
(i) Investments	6	2,46,39,896	1,25,75,902
(ii) Other financial assets	7	33,29,048	56,49,855
(iii) Deferred tax assets (net)	8		
(f) Other non-current assets	9	5,53,350	4,04,865
<b>Current assets</b>			
(a) Inventories	10	21,44,859	10,13,697
(b) Financial Assets			
(i) Trade Receivables	11	31,38,045	34,64,851
(ii) Cash and cash equivalents	12	19,63,510	14,74,911
(iii) Bank balances other than (ii) above	13	1,94,44,730	1,72,77,826
(iv) Loans	14	1,990	1,990
(v) Others	15	11,38,321	14,97,224
(c) Current Tax Assets (Net)	16	35,78,773	37,28,891
(d) Other current assets	17	70,62,208	40,84,242
<b>Total Assets</b>		<b>12,71,22,468</b>	<b>10,90,02,899</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	18	17,46,30,000	17,46,30,000
(b) Other Equity		(8,98,31,540)	(10,58,39,918)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Other financial liabilities	19	1,91,48,112	2,03,46,469
(b) Provisions	20	9,77,537	7,77,949
(c) Other non-current liabilities	21	2,169	14,604
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	22	12,39,123	18,85,688
(ii) Other financial liabilities	23	1,97,00,318	1,61,21,486
(b) Other current liabilities	24	5,85,268	5,28,017
(c) Provisions	25	6,71,482	5,38,604
<b>Total Equity and Liabilities</b>		<b>12,71,22,468</b>	<b>10,90,02,899</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

Sd/-

Sd/-

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

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

**RAJIV KABRA**  
Chairman & Managing Director  
DIN : 00038605  
Sd/-

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

**M.KRISHNA MURTHY**  
Chief Financial Officer

**M. NAGARAJU**  
Company Secretary  
cum Compliance Officer

Place : Hyderabad  
Date : 18-05-2022

**Statement of Profit and Loss**  
**for the year ended 31st March 2022**

(All amounts in rupees,  
unless otherwise stated)

Particulars	Note No.	Current Year	Previous Year
<b>I. Revenue from operations</b>	26	11,35,17,557	5,99,87,818
<b>II. Other income</b>	27	61,31,206	75,36,527
<b>III. Total Revenue (I+II)</b>		11,96,48,763	6,75,24,345
<b>IV. Expenses</b>			
(i) Purchases of Stock-in-Trade	28	8,32,64,566	3,68,79,750
(ii) Changes in inventories of stock in trade	29	(11,31,162)	88,036
(iii) Employee benefits expense	30	89,04,641	77,24,274
(iv) Finance costs	31	4,83,779	7,09,492
(v) Depreciation and amortization expense	2, 3, 4, 5	47,03,259	32,52,504
(vi) Other expenses	32	77,93,650	90,45,668
		10,40,18,733	5,76,99,724
<b>Total expenses</b>			
<b>V. Profit / (Loss) before Exceptional Items (III-IV)</b>		1,56,30,030	98,24,621
VI. Exceptional Items	33	3,83,414	12,61,086
<b>VII. Profit / (Loss) before tax ( V+ VI )</b>		1,60,13,445	1,10,85,707
<b>VIII. Tax expense:</b>			
(1) Current tax			
(2) Deferred tax			
(3) Earlier Year Tax Paid		5,067	1,553
<b>IX. Profit / (Loss) after tax for the quarter (VII-VIII)</b>		1,60,08,378	1,10,84,154
<b>X. Other Comprehensive Income</b>			
<b>A</b> Items that will not be reclassified to profit or loss			
<b>B</b> Items that will be reclassified to profit or loss			
<b>Other comprehensive income for the quarter (net of tax)</b>		-	-
<b>XI. Total Comprehensive Income for the quarter (IX+X)</b>		1,60,08,378	1,10,84,154
<b>XII. Earnings per equity share (face value of Rs.10/-)</b>			
Basic & Diluted		0.92	0.63
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

Sd/-

Sd/-

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

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

**RAJIV KABRA**  
Chairman & Managing Director  
DIN : 00038605  
Sd/-

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

**M.KRISHNA MURTHY**  
Chief Financial Officer

**M. NAGARAJU**  
Company Secretary  
cum Compliance Officer

Place : Hyderabad  
Date : 18-05-2022



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(All amounts in rupees,  
unless otherwise stated)

	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>A Cash flow from Operating Activities:</b>		
<b>Profit Before tax</b>	<b>1,60,13,446</b>	<b>1,10,85,707</b>
Adjustments for:		
Depreciation and Amortisation	47,03,258	32,52,504
Loss/ (Gain) on sale of tangible assets (net)	-	-
Interest Income	(13,65,797)	(2,74,875)
Interest Expense	4,83,779	7,09,492
Credit balances and Sundry deposits written back	(3,83,414)	(95,857)
Lease rental	6,83,212	1,75,115
Fair value (gain) /loss on Investments	(27,64,459)	(49,07,062)
<b>Operating profit before working capital changes</b>	<b>1,73,70,024</b>	<b>99,45,024</b>
Adjustments for (increase)/decrease in operating assets		
Inventories	(11,31,162)	88,036
Trade Receivables	3,26,805	(2,03,092)
Other financial assets - current	3,31,334	3,36,740
Other financial assets - Non current	23,20,807	(30,85,401)
Other non financial assets - current	(29,77,966)	1,07,868
Other non financial assets - Non current	(1,48,485)	83,036
Right of use asset		
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	(6,46,565)	(4,83,839)
Other financial liabilities - current	39,62,246	34,31,140
Other financial liabilities - Non current	(9,65,203)	(41,42,676)
Short term provisions	1,32,878	89,373
Long term provisions	1,99,588	55,847
Other Non financial liabilities - current	57,251	(18,66,162)
Other Non financial liabilities - Non current	(12,435)	(6,01,912)
<b>Cash generated from operations</b>	<b>1,88,19,116</b>	<b>37,53,982</b>
Income tax paid	1,45,051	3,18,978
<b>Net Cash flow from/(used in) operating activities</b>	<b>1,89,64,167</b>	<b>40,72,960</b>
<b>B Cash flow from Investing Activities:</b>		
Purchase of Property, plant and Equipment & Intangible assets and Capital Advances & Capital Creditors	(70,02,350)	(42,76,194)
Proceeds from sale of Property, plant and equipment	-	44,052
Additions to CWIP during the year	-	-
Investments made during the year	(92,99,535)	-
Interest income Received	13,93,366	3,06,071
Investments made in Bank Deposits	(21,66,904)	-
<b>Net Cash flow from/(used in) investing activities</b>	<b>(1,70,75,424)</b>	<b>(39,26,071)</b>
<b>C Cash flow from Financing Activities:</b>		
Lease Rental payment	(9,16,366)	(1,75,115)
Interest paid	(4,83,779)	(7,09,492)
<b>Net Cash flow from/(used in) financing activities</b>	<b>(14,00,145)</b>	<b>(8,84,607)</b>
<b>Net Increase in Cash and Cash equivalents (A+B+C)</b>	<b>4,88,598</b>	<b>(7,37,718)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>14,74,912</b>	<b>22,12,630</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>19,63,510</b>	<b>14,74,912</b>
<b>Components of Cash and Cash Equivalents</b>		
a. Cash on hand	41,344	28,879
b. Balances with banks		
- In current accounts	19,22,166	14,46,032
- 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>19,63,510</b>	<b>14,74,911</b>
c. Bank Overdraft		
<b>Total Cash and Cash Equivalents in Cash Flow Statement</b>	<b>19,63,510</b>	<b>14,74,911</b>

Significant Accounting policies

Explanatory Notes &amp; Other disclosures

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As per our report of even date

For and on behalf of the Board of Directors

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

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

Sd/-  
**P.V.SUBBARAO**  
Director  
DIN : 02299552

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

Sd/-  
**RAJIV KABRA**  
Chairman & Managing Director  
DIN : 00038605

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

Place : Hyderabad

Date : 18-05-2022

## Statement of Changes in Equity for the year ended 31st March 2022

(All amounts in rupees,  
unless otherwise stated)

### A. Equity Share Capital

Particulars	As at	
	31-03-2022	31-03-2021
At the beginning of the year	17,46,30,000	17,46,30,000
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 31st March 2020	<b>4,72,37,415</b>	<b>(16,41,61,490)</b>	-	<b>(11,69,24,075)</b>
Total Comprehensive Income for the year ended 31st March 2021	-	1,10,84,157	-	1,10,84,157
Balance as at 31st March 2021	<b>4,72,37,415</b>	<b>(15,30,77,333)</b>	-	<b>(10,58,39,918)</b>
Total Comprehensive Income for the year ended 31st March 2022	-	1,60,08,378	-	1,60,08,378
Balance as at 31st March 2022	<b>4,72,37,415</b>	<b>(13,70,68,955)</b>	-	<b>(8,98,31,540)</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 : 18-05-2022

For and on behalf of the Board of Directors

Sd/-

**P.V.SUBBARAO**

Director

DIN : 02299552

Sd/-

**M.KRISHNA MURTHY**

Chief Financial Officer

Sd/-

**RAJIV KABRA**

Chairman & Managing 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 MadhuVihar, 2<sup>nd</sup> Floor, Plot No.17, H.No.8-2-293/82/C/17, Road No.7, Jubilee Hills, Hyderabad, Telangana - 500033.

The company is engaged in the business of bottling and selling 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 Inventories

Stock-in-trade is valued at the lower of cost and 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 weighted average basis.

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.

### 1.3.4 Financial Instruments

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

#### Financial Assets

- **Initial recognition and measurement:**

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

- **Subsequent measurement:**

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

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

**a) Financial Asset measured at amortized cost**

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

The 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.

### 1.3.5 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.

### 1.3.6 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 asset 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 asset 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.

### 1.3.7 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.

### 1.3.8 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.

### 1.3.9 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.



### 1.3.10 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.

### 1.3.11 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 at 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 at 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.

### 1.3.12 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.

### 1.3.13 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.

### 1.3.14 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, 2022

### 2. a) Property, Plant and Equipment

Notes forming part of the Financial statements for the year ended 31 March 2022 (All amounts in rupees, unless otherwise stated)											
Particulars	Gross Block			Depreciation			Net Block				
	As at 31 March 2021	Additions 2021	As at 31 March 2022	Upto 31 March 2021	For the Year	On Deletions	Upto 31 March 2022	As at 31 March 2022	As at 31 March 2021		
1 Property, Plant & Equipment Land: Freehold(*)	10,14,817	-	10,14,817	-	-	-	-	10,14,817	10,14,817		
2 Buildings: Factory	4,99,84,475	-	4,99,84,475	2,17,06,699	13,04,569	-	2,30,11,268	2,69,73,208	2,82,77,777		
3 Non Factory	19,05,956	-	19,05,956	8,85,273	25,769	-	9,11,042	9,94,914	10,20,683		
4 Plant & Machinery	3,19,47,414	6,83,647	3,26,31,061	2,51,51,154	2,64,843	-	2,54,15,997	72,15,063	67,96,259		
5 Electrical Installations	66,31,550	-	66,31,550	59,59,037	41,989	-	60,01,026	6,30,525	6,72,514		
6 Furniture & Fixtures	32,50,488	-	32,50,488	30,73,299	1,501	-	30,74,800	1,75,688	1,77,189		
7 Office equipment	16,01,817	26,903	16,28,720	14,04,456	16,362	-	14,20,818	2,07,902	1,97,361		
8 Vehicles	9,00,531	-	9,00,531	3,82,186	96,461	-	4,78,647	4,21,884	5,18,345		
9 Cycle	1,710	-	1,710	1,624	-	-	1,624	86	86		
10 Data Processing Equipment	34,18,105	-	34,18,105	32,07,325	12,652	-	32,19,977	1,98,128	2,10,780		
Cylinders	7,54,36,472	62,91,800	8,17,28,272	6,50,95,648	23,46,470	-	6,74,42,118	1,42,86,154	1,03,40,824		
<b>Total</b>	<b>17,60,93,335</b>	<b>70,02,350</b>	<b>18,30,95,685</b>	<b>12,68,66,700</b>	<b>41,10,616</b>	<b>-</b>	<b>13,09,77,316</b>	<b>5,21,18,369</b>	<b>4,92,26,635</b>		
<b>2(b) Capital work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

(\*) The Company purchased 10 Acres of land at Nelimerla 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 31 March 2022 (All amounts in rupees, unless otherwise stated)											
Particulars	Gross Block			Depreciation			Net Block				
	As at 31 March 2020	Additions 2020	As at 31 March 2021	Upto 31 March 2020	For the Year	On Deletions	Upto 31 March 2021	As at 31 March 2021	As at 31 March 2020		
1 Property, Plant & Equipment Land: Freehold(*)	10,14,817	-	10,14,817	-	-	-	-	10,14,817	10,14,817		
2 Buildings: Factory	2,65,63,983	2,34,20,492	4,99,84,475	2,09,08,722	7,97,977	-	2,17,06,699	2,82,77,777	56,55,262		
3 Non Factory	19,05,956	95,600	19,05,956	8,59,265	26,008	-	8,85,273	10,20,683	10,46,691		
4 Plant & Machinery	3,18,98,989	95,600	3,19,47,414	2,48,89,622	2,64,655	3,123	2,51,51,154	67,96,259	70,09,366		
5 Electrical Installations	66,31,550	-	66,31,550	59,11,940	47,097	-	59,59,037	6,72,514	7,19,611		
6 Furniture & Fixtures	32,34,688	15,800	32,50,488	30,72,954	345	-	30,73,299	1,77,189	1,61,734		
7 Office equipment	15,73,317	28,500	16,01,817	13,89,755	14,701	-	14,04,456	1,97,361	1,83,562		
8 Vehicles	9,00,531	-	9,00,531	2,85,725	96,461	-	3,82,186	5,18,345	6,14,806		
9 Cycle	1,710	-	1,710	1,624	-	-	1,624	86	86		
10 Data Processing Equipment	33,64,190	53,915	34,18,105	31,84,420	22,905	-	32,07,325	2,10,780	1,79,770		
Cylinders	7,19,38,372	34,98,100	7,54,36,472	6,37,08,319	13,87,329	-	6,50,95,648	1,03,40,823	82,30,048		
<b>Total</b>	<b>14,90,28,103</b>	<b>2,71,12,407</b>	<b>17,60,93,335</b>	<b>12,42,12,345</b>	<b>26,57,478</b>	<b>3,123</b>	<b>12,68,66,700</b>	<b>4,92,26,634</b>	<b>2,48,15,753</b>		
<b>2(b) Capital work-in-progress</b>	<b>2,23,86,213</b>	<b>3,85,278</b>	<b>2,27,71,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,23,86,213</b>		

(\*) The Company purchased 10 Acres of land at Nelimerla 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, 2022**
**6. Investments(Quoted,Valued at Fair value)**

Particulars	As per IND AS	As at
	31st March 2022	31st March 2021
Investment in Mutual Fund		
ABSL Balanced '95 Fund - Growth	7,05,806	5,90,493
ABSL Top 100 Fund - Growth	6,54,927	6,55,794
ABSL India GenNext Fund - Growth	22,28,921	14,10,152
ABSL Focused Equity Fund - Growth	7,84,559	
ABSL Multi-Cap Fund - Growth	10,39,800	
Axis Focused 25 Fund - Growth	20,12,326	17,49,344
HDFC Hybrid Equity Fund - Growth	15,44,653	13,08,579
HDFC Large and Mid Cap Fund - Growth	10,01,501	
HDFC Small Cap Fund - Growth	5,95,014	4,42,869
ICICI Pru Equity & Debt Fund - Growth	31,70,628	
ICICI Prudential Large & Mid Cap Fund - Growth	9,98,152	
ICICI Pru Technology Fund - Growth	13,32,509	-
ICICI Pru Bluechip Fund - Growth	8,02,693	6,56,426
ICICI Pru Balanced Fund - Growth	-	20,02,778
Kotak Select Focused Fund - Growth	16,09,557	13,92,456
Nippon India Multicap Fund - Growth	8,63,485	-
PGIM India Flexi Cap Fund - Growth	4,85,620	-
Sundaram Multi Cap Fund - Growth	8,17,923	-
Tata Digital India Fund - Growth	6,60,856	-
Tata Equity P/E Fund - Growth	28,14,287	23,67,011
Tata Flexicap Fund - Growth	5,16,679	-
	<b>2,46,39,896</b>	<b>1,25,75,902</b>
a. Aggregate amount of Quoted Investments	1,89,49,535	96,50,000
Market Value of Quoted Investments	2,46,39,896	1,25,75,902
b. Aggregate amount of Unquoted investments	-	-
c. Aggregate amount of impairment in value of investments	-	-
<b>7. Other Financial Assets</b>		
Sundry Deposits	10,35,500	9,27,436
Other bank Balances - Term Deposits with balance maturity of more than 12 months	4,00,000	
- Margin money deposits*	18,03,548	45,12,419
Rent Receivable (Equalisation)	90,000	2,10,000
<b>Total</b>	<b>33,29,048</b>	<b>56,49,855</b>

\* Margin money deposits have been pledged with the Bankers towards issue of Bank Guarantees

**8. Deferred Tax**

Particulars	As at 31-03-2022	Not Recognised Statement of Profit & Loss	Recognised in Other Comprehensive Income	As at 31-03-2021
<b>Deferred Tax Liabilities</b>				
Property, Plant & Equipment & Intangible assets	56,59,927	2,45,224		54,14,703
Right of use asset	20,39,637	(1,60,076)		21,99,713
Due to Straightlting of lease payments	25,038	(33,384)		58,422
Other Non Current Assets	43,414	(5,543)		48,957
Security Deposits	1,09,722	(3,09,858)		4,19,580
Fair value Adjustments of Financial Assets/Liabilities	15,83,058	7,69,072		8,13,986
	94,60,796	5,05,435	-	89,55,361
<b>Deferred Tax Assets</b>				
<b>Sundry Deposits</b>				
Unused Tax Losses	47,765	(30,064)		77,829
Due to Straightlting of lease payments	2,29,66,051	(32,52,120)		2,62,18,171
Fair Value adjustments of financial assets/liabilities	12,75,780	(64,864)		13,40,644
Employee Benefits & Statutory Liabilities allowed on Payment Basis	-	-		-
Other Non Current Liabilities	4,58,757	1,93,028		2,65,729
	-	(2,16,425)	-	2,16,425
	<b>2,47,48,353</b>	<b>(33,70,445)</b>		<b>2,81,18,798</b>
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(1,52,87,557)</b>	<b>38,75,880</b>	-	<b>(1,91,63,437)</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2022

Particulars	As per IND AS As at	
	31st March 2022	31st March 2021
<b>9. Other non-current assets</b>		
Security Deposits	-	94,000
Prepayments	3,97,296	1,34,887
Prepaid Rent	1,56,054	1,75,978
Advance for Capital Items	-	-
<b>Total</b>	<b>5,53,350</b>	<b>4,04,865</b>
<b>10. Inventories</b>		
a. Stock-in-trade (lower of realisable value and cost)	20,28,239	8,97,077
b. Stores and Packing materials (at realisable value)	78,004	78,004
c. Scrap	38,616	38,616
<b>Total</b>	<b>21,44,859</b>	<b>10,13,697</b>
<b>11. Trade Receivables</b>		
Considered good- Secured		
Considered good - Unsecured	31,38,045	34,64,851
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired	-	-
<b>Sub Total</b>	<b>31,38,045</b>	<b>34,64,851</b>
Less: Allowance for Bad and Doubtful Debts	-	-
<b>Total</b>	<b>31,38,045</b>	<b>34,64,851</b>
<b>12. Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	19,22,166	14,46,032
Cash on hand	41,344	28,879
<b>Total</b>	<b>19,63,510</b>	<b>14,74,911</b>
<b>13. Other Bank Balances</b>		
Balances with banks		
- In term deposits (with original maturity of more than 3 months and less than 12 months)	1,48,81,427	1,16,78,193
- In Margin money deposits (with maturity less than 12 months)	45,41,227	55,77,556
- Share Application Money Refund A/c.	22,077	22,077
<b>Total</b>	<b>1,94,44,730</b>	<b>1,72,77,826</b>
a. Margin money deposits have been pledged with the Bankers towards issue of Bank Guarantees		
<b>14. Loans (Unsecured, considered good)</b>		
Amounts recoverable from staff	1,990	1,990
<b>Total</b>	<b>1,990</b>	<b>1,990</b>
<b>15. Other financial assets (Unsecured, considered good)</b>		
Cylinder Deposits	4,03,600	7,34,934
Interest accrued but not due	7,34,721	7,62,290
<b>Total</b>	<b>11,38,321</b>	<b>14,97,224</b>
<b>16. Current tax assets (net)</b>		
Advance Income tax & TDS Receivable (Net of provision)	35,78,773	37,28,891
<b>Total</b>	<b>35,78,773</b>	<b>37,28,891</b>
<b>17. Other current assets (Unsecured, considered good)</b>		
Vendor advance	6,86,746	13,09,695
Balance with Govt. Dept. (CBEC & VAT)	58,80,454	23,54,745
Prepayments	4,95,009	4,19,802
<b>Total</b>	<b>70,62,208</b>	<b>40,84,242</b>
<b>18. Equity Share Capital</b>		
a. <b>Authorised:</b>		
1,80,00,000 Equity Shares of Rs.10/- each	18,00,00,000	18,00,00,000
b. <b>Issued, subscribed and fully paid:</b>		
1,74,63,000 Equity Shares of Rs.10/- each	17,46,30,000	17,46,30,000

**Notes forming part of the Financial Statements for the year ended 31st March, 2022**
**a. Reconciliation of Equity Shares outstanding at the end of the reporting period**

(All amounts in rupees, unless otherwise stated)

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of 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 31-03-2022		As at 31-03-2021	
	No. of Shares Held	% holding	No. of Shares Held	% holding
<b>Equity Shares of Rs.10/- each:</b>				
Mr. Rajiv Kabra	91,19,500	52.22	91,17,400	52.21
M/s. Lata Engineering Company Pvt. Ltd.	10,11,000	5.79	10,11,000	5.79

**d. Changes in Promoters Shareholding during the year**

Name of the Promoter and Promoter Group	As at 31-03-2022			As at 31-03-2021		
	No. of equity shares held	% holding	% of changes during the year	No. of equity shares held	% holding	% of changes during the year
Rajiv Kabra	91,19,500	52.22	0.02	91,17,400	52.21	--
Satish Kabra	81,000	0.46	--	81,000	0.46	--
Kavitha Kabra	20,400	0.12	--	20,400	0.12	--
G.K. Kabra	--	--	-100	2,100	0.01	--
Ruchira Kabra	500	0	--	500	0	--
Lata Engineering Company Pvt. Ltd.	10,11,000	5.79	--	10,11,000	5.79	--
Kabsons Gas Equipments Pvt. Ltd.	7,38,452	4.23	-0.05	7,38,850	4.23	--
Ideal Engineers Hyderabad Pvt. Ltd.	5,31,800	3.05	--	5,31,800	3.05	--
PKL Limited	2,00,000	1.15	--	2,00,000	1.15	--
Kabsons Technologies Pvt. Ltd.	1,41,000	0.81	--	1,41,000	0.81	--
Gasolec Appliances Pvt. Ltd.	16,600	0.1	--	16,600	0.1	--
Prakun Equipments Pvt. Ltd.	20,000	0.11	--	20,000	0.11	--

Particulars	As per IND AS As at	
	31st March 2022	31st March 2021
<b>19. Other Financial liabilities</b>		
i) Security Deposits	38,52,102	48,17,305
ii) Distributor/Dealership Deposit	1,07,10,172	1,07,10,172
iii) Lease Liability	45,85,838	48,18,992
<b>Total</b>	<b>1,91,48,112</b>	<b>2,03,46,469</b>
<b>20. Provisions</b>		
Provision for employee benefits		
Gratuity	9,77,537	7,77,949
<b>Total</b>	<b>9,77,537</b>	<b>7,77,949</b>
<b>21. Other non-current liabilities</b>		
Rent received in advance	2,169	14,604
<b>Total</b>	<b>2,169</b>	<b>14,604</b>
<b>22. Trade Payables</b>		
Other than Micro, Small and Medium Enterprises	12,39,123	18,85,688
<b>Total</b>	<b>12,39,123</b>	<b>18,85,688</b>
<b>23. Other Financial liabilities</b>		
Interest accrued and due on Distributor/Dealer deposits	12,73,780	12,73,780
Cylinder Deposits from Consumers	1,01,35,024	75,61,965
Dues to Dealers and Consumers	49,98,332	26,48,354
Dues to Staff	7,33,617	7,47,397
Lease Liability	-	-
Other payables	24,70,970	27,01,395
Sundry Deposits ( Current )	88,595	11,88,595
<b>Total</b>	<b>1,97,00,318</b>	<b>1,61,21,486</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	4,73,821	4,16,570
Rent Received in Advance	88,897	1,38,196
<b>Total</b>	<b>5,85,268</b>	<b>5,28,017</b>



Notes forming part of the Financial Statements for the year ended 31st March, 2022

(All amounts in rupees, unless otherwise stated)

Particulars	As per IND AS	
	As at	
	31st March 2022	31st March 2021
<b>25. Provisions</b>		
Provision for Employee Benefits:		
(a) Earned Leave Encashment	4,86,207	4,03,497
(b) Bonus	1,85,275	1,35,107
<b>Total</b>	<b>6,71,482</b>	<b>5,38,604</b>

Particulars	Current Year	Previous Year
<b>26. Revenue from Operations</b>		
<b>Sale of Products</b>		
Sale of gas (trading item)	8,26,46,224	3,73,20,055
<b>Other operating revenues</b>		
Gas filling charges	1,41,74,080	97,62,066
Rental / hire charges	40,95,914	16,57,659
Plants Lease	34,27,200	34,27,200
Rent	91,61,704	77,65,575
Lease income (Fair value of interest free lease deposits measured at amortised cost)	12,435	55,263
<b>Total</b>	<b>11,35,17,557</b>	<b>5,99,87,818</b>
<b>27. Other Income</b>		
Interest Income		
- Unwinding of interest on Rental deposit made	14,064	12,982
- others	13,51,733	12,36,177
<u>Other non-operating revenue</u>		
Excess Provision written back	3,702	17,468
Miscellaneous income	19,80,000	13,62,838
Fair Value Gain on Mutual Funds	27,64,459	49,07,062
Scrap Sales	17,248	
<b>Total</b>	<b>61,31,206</b>	<b>75,36,527</b>
<b>28. Purchases of Stock-in-Trade</b>		
Gas	8,31,89,066	3,68,79,750
Lot Values	75,500	
<b>Total</b>	<b>8,32,64,566</b>	<b>3,68,79,750</b>
<b>29. Changes in inventories of Stock-in-trade</b>		
<b>Opening Stock:</b> Stock-in-trade - LPG Gas	8,97,077	9,85,113
<b>Less: Closing Stock:</b> Stock-in-trade - LPG Gas	20,28,239	8,97,077
<b>(Increase) / Decrease in stocks</b>	<b>(11,31,162)</b>	<b>88,036</b>
<b>30. Employee Benefits Expense</b>		
Salaries, Wages and allowances	81,62,817	70,90,964
Contribution to provident and other funds	2,76,721	2,57,375
Gratuity	1,99,588	93,924
Earned Leave Encashment	86,413	1,07,752
Staff welfare expenses	1,79,102	1,74,259
<b>Total</b>	<b>89,04,641</b>	<b>77,24,274</b>
<b>31. Finance Costs</b>		
Interest expense:		
Unwinding of interest on Deposits received against leased plants	13,797	2,21,396
Interest Expense on Lease Liability	4,69,982	4,88,096
<b>Total</b>	<b>4,83,779</b>	<b>7,09,492</b>

## Notes forming part of the Financial Statements for the year ended 31st March, 2022

(All amounts in rupees,  
unless otherwise stated)

Particulars	Current Year	Previous Year
<b>32. Other Expenses</b>		
Consumption of stores and spares	2,64,513	2,20,743
Power Charges of bottling plants	9,43,550	7,42,769
Rent & Water Charges	1,07,979	1,46,673
Rental/Hire charges paid for Cylinders	-	5,43,648
Repairs & Maintenance		
i) Plant & Machinery	6,37,578	8,16,099
ii) Buildings	1,59,747	2,37,945
iii) Other Assets	4,215	84,824
Insurance	2,20,338	2,09,826
Rates & Taxes	5,41,532	5,14,071
Gas Filling Charges	53,198	52,360
Printing & Stationary	34,487	24,240
Postage & Telephones	43,167	43,124
Donations	-	50,000
Travelling & Conveyance	2,52,833	2,37,335
Service Charges	22,38,679	27,50,275
Legal & Professional Charges	6,39,719	7,69,912
Listing Fees	3,00,000	3,00,000
Payment to Auditors		
: As Auditors	50,000	50,000
: For GST Audit	-	60,000
: For Tax Audit	20,000	20,000
: For Certification	40,000	35,000
Rent Paid to MIDC ( Sub letting charges)	3,98,243	1,95,133
General Expenses	2,33,915	2,39,950
Director Sitting Fees	60,000	63,888
Miscellaneous expenses	5,49,958	6,37,853
<b>Total</b>	<b>77,93,650</b>	<b>90,45,668</b>
<b>33. Exceptional Items</b>		
Credit balances written back	8	8,77,678
Subscription Deposit Written off	7,14,740	7,14,744
Cylinder Deposits written back	(3,31,333)	(3,31,336)
<b>Total</b>	<b>3,83,414</b>	<b>12,61,086</b>

**Explanatory Notes & Other Disclosures**

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

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Bank Guarantee	63,44,775	1,00,89,975
(ii)	Claims made by dealers/distributors not acknowledged by the Company	5,94,315	5,94,315

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

34.1 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. 6,12,049/-) and interest for earlier years amounting to Rs.1,27,93,366/- 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.1,34,05,415/-.

34.2 Consumers cylinder subscription deposits collected over a period of time amounting to Rs.7,14,740 is written back and shown in Exemotional item, as the cylinders are not returned for a long time. Further an amount of Rs.3,31,333/- pertains to Cylinder deposits paid by the the Company are written and is also shown in Exeptional 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 other current Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Debt	0	Nil
(b) Cash & Cash Equivalents	19,63,510	14,74,911
(c) Net Debt (a) - (b)	(19,63,510)	(14,74,911)
(d) Total Equity	8,47,98,460	6,87,90,082
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. 38,75,880 /- (Previous year Rs. 15,51,801/-) 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	1,60,13,444	1,10,85,707
(b) Applicable tax rate	27.82%	27.82%
(c) Tax expense on Net profit (a*b)	44,54,940	30,84,044
(d) Increase/(decrease) in tax expenses on account of:		
- Expenses not allowed under income tax	(6,21,911)	(6,31,819)
- Others	(5,80,909)	(14,49,783)
- Reversal of deferred tax asset on unused tax losses not recognized in books	(32,52,120)	(10,02,442)
- Fair Value loss on Mutual Funds		-
Total (d)	(44,54,940)	(30,84,044)
(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	1,26,08,904	1,07,19,800
More than one year and less than five years	46,02,800	1,24,71,104

**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) Sector.11, Khargar Village, Taluka: PanvelDist: Raigad, Maharashtra; and
- 4) 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 2021-22 on Right of Use Asset	5,75,399
(ii)	Interest Expense on Lease Liability	4,69,982
(iii)	Total cash flows for Leases	9,16,366
(iv)	Additions to Right of use asset	-
(v)	Carrying amount of Right of use asset as on 31.03.2022	73,31,548

**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	2,05,335	2,09,496
Contribution to Employee State Insurance	71,386	47,879
<b>Total</b>	<b>2,76,721</b>	<b>2,57,375</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 Managing 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 Managing 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	
m.	Kabsons Technologies P. Ltd	Subsidiary Company of Significant Shareholder
n.	SK leasing services	Propriety concern owned by relatives of Managing 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)	20,91,900	19,10,400
- Nagaraju Musinam (CS)	3,36,000	3,12,000
<b>Sitting fees</b>		
- P.V.Subba Rao (Independent Director)	20,000	24,444
- Mangal Rathi (Independent Director)	20,000	24,444
- Riha Kabra (Director)	20,000	15,000

**(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	74,932	1,49,864
Less: Written off during the year	74,932	74,932
Outstanding at the end of the year	—	74,932
<b>Balance in current account (payable) / receivable</b>	<b>—</b>	<b>—</b>

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

Nature of transactions	Current Year	Previous Year
Godown rent received	5,40,000	1,80,000
Rental/hire charges paid	—	5,43,648
Purchase of gas	2,35,750	54,000
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	4,67,910	4,89,722
Less: Written off during the year against old deposits	64,310	64,312
Add: Paid for the Cylinders taken during the Year	—	42,500
Outstanding at the end of the year	4,03,600	4,67,910
<b>Balance in current account (payable) / receivable</b>	<b>46,633</b>	<b>14,608</b>

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

Nature of transactions	Current Year	Previous Year
Gas filling charges paid	3,198	1,754
Annual maintenance charges	50,000	50,000
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	97,793	1,95,585
Less: Written off during the year	97,793	97,792
Outstanding at the end of the year	—	97,793
<b>Balance in current account (payable) / receivable</b>	<b>NIL</b>	<b>NIL</b>

**(v) Transactions with Enterprises over which relatives of Managing 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>Nil</b>

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

<b>Cylinder deposit paid:</b>	Current Year	Previous Year
Outstanding at the beginning of the year	26,052	52,104
Less: Written off during the year	26,052	26,052
Outstanding at the end of the year	NIL	26,052

**(vii) Transactions with proprietary concerns in which relatives of Managing Directors are sole proprietors Sk leasing services**

<b>Cylinder deposit paid:</b>	Current Year	Previous Year
Outstanding at the beginning of the year	39,000	78,000
Less: Written off during the year	39,000	39,000
Outstanding at the end of the year	NIL	39,000

**(viii) Transactions with proprietary concerns in which relatives of Managing Directors are sole proprietors-AP leasing services**

<b>Cylinder deposit paid:</b>	Current Year	Previous Year
Outstanding at the beginning of the year	29,250	58,500
Less: Written off during the year	29,250	29,250
Outstanding at the end of the year	NIL	29,250

### 34.3.6 Financial Instruments

#### a. Financial Instruments by category

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2022 is as follows:

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial Assets :</b>				
- Investments	2,46,39,896	-	-	2,46,39,896
- Trade Receivables	-	-	31,38,045	31,38,045
- Cash and Cash Equivalents	-	-	19,63,510	19,63,510
- Bank Balances other than Cash and Cash Equivalents	-	-	1,94,44,730	1,94,44,730
- Loans	-	-	1,990	1,990
- Other Financial Assets	-	-	44,67,369	44,67,369
<b>Total Financial Assets</b>	<b>2,46,39,896</b>	<b>-</b>	<b>2,90,15,644</b>	<b>5,36,55,540</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	12,39,123	12,39,123
- Other Financial Liabilities	-	-	3,88,48,430	3,88,48,430
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,00,87,552</b>	<b>4,00,87,552</b>

The Carrying amounts of Financial instruments as of 31<sup>st</sup> March,2021 is as follows:

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial Assets :</b>				
-Investments	1,25,75,902	-	-	1,25,75,902
- Trade Receivables	-	-	34,64,851	34,64,851
- Cash and Cash Equivalents	-	-	14,74,911	14,74,911
- Bank Balances other than Cash and Cash Equivalents	-	-	1,72,77,826	1,72,77,826
- Loans	-	-	1,990	1,990
- Other Financial Assets	-	-	14,97,224	14,97,224
<b>Total Financial Assets</b>	<b>1,25,75,902</b>	<b>-</b>	<b>2,37,16,802</b>	<b>3,62,92,704</b>
<b>Financial Liabilities :</b>				
- Trade Payables	-	-	18,85,688	18,85,688
- Other Financial Liabilities	-	-	3,64,67,955	3,64,67,955
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,83,53,643</b>	<b>3,83,53,643</b>

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

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

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

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

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

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

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

### 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 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	
	2021-22	2020-21	2021-22	2020-21
Mutual Fund (1% change in price)	2,46,399	1,25,759	Nil	Nil
<b>Total</b>	<b>2,46,399</b>	<b>1,25,759</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:

Particulars	Total	On Demand	< 1 year	1 to 5 years	(Rs. In Lakhs)
					> 5 years
<b>As at 31 March 2022</b>					
Other financial liabilities – Non Current	1,91,48,112	Nil	Nil	1,91,48,112	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	12,39,123	12,39,123	Nil	Nil	Nil
Other financial liabilities – Current	1,97,00,318	1,97,00,318	Nil	Nil	Nil
<b>Total</b>	<b>4,00,87,552</b>	<b>2,09,39,440</b>	<b>Nil</b>	<b>1,91,48,112</b>	<b>Nil</b>
<b>As at 31 March 2021</b>					
Other financial liabilities – Non Current	2,03,46,469	Nil	Nil	2,03,46,469	Nil
Borrowings – Current	Nil	Nil	Nil	Nil	Nil
Trade Payables	18,58,688	18,58,688	Nil	Nil	Nil
Other financial liabilities – Current	1,61,21,486	1,61,21,486	Nil	Nil	Nil
<b>Total</b>	<b>3,83,26,643</b>	<b>1,79,80,174</b>	<b>Nil</b>	<b>2,03,46,469</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)	8,26,46,224
<b>Services</b>	
Gas filling charges	1,41,74,080
Rental / hire charges	40,95,914
Plant Lease	34,27,200
Rent	91,61,704
Others	12,435
<b>TOTAL :</b>	<b>11,35,17,557</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>11,35,17,557</b>	6,06,81,087
(B) Outside India	Nil	Nil
<b>TOTAL</b>	<b>11,35,17,557</b>	<b>6,06,81,087</b>

**(c) Information about major customer**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**34.3.9 Earnings per Share**

Particulars	Current Year	Previous Year
(a) Profit/(loss) after tax (in Rs.)	<b>1,60,08,377</b>	<b>1,10,84,154</b>
(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.)	0.92	0.63

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

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

The following are outstanding balances as at 31.03.2022:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year (All are within agreed period not due for payment)	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

**Additional Regulatory Information:**

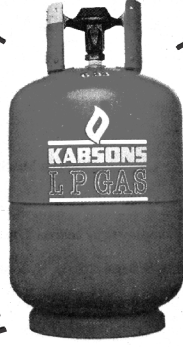
- (1) No item of Property, Plant and Equipment and Intangible assets has been revalued during the year.
- (2) The Company has not granted any loans or Advances in the nature of Loans to Promoters, Directors, KMPs and other related parties
- (3) The Company does not have any Benami property. No proceeding has been initiated or pending against the company for holding any Benami Property;
- (4) The Company has no transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey or any relevant provisions of Income Tax Act, 1961)
- (5) (a) The Company has not advanced to or loaned to or invested funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding that such intermediaries shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with understanding (whether recorded in writing or otherwise):
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by funding party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (6) The Company has not been declared as willful defaulter by RBI or any Bank or Financial Institutions or other lenders.
- (7) The Company has no borrowings from Banks or Financial Institutions on the basis of security of Current Assets..
- (8) There is no failure on the part of the company for creation/modification/satisfaction of charges in favour of Banks/Financial Institutions within the time allowed during the year 2021-22.
- (9) The company has no transactions and no relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (10) The company has no subsidiaries
- (11) There are no Schemes of Arrangements approved by the Competent Authority under sections 230 to 237 of the Act
- (12) The company has not issued any share capital or obtained any borrowings during the year.
- (13) The Company has not invested or traded in Crypto currency or Virtual Currency
- (14) The Company is not covered under the obligation to incur CSR Expenditure as per section 135 of the Companies Act, 2013.

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

**THE TRUSTED KABSONS NAME**

कैबसन्स एक भरोसे का नाम

काब्सन्स - एकाँठि विश्वल नाम



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भरोसापात्र केअसन्स नाम

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